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Subject.

Re Bampton Municipal Law, 1897.

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Office of the Resident in Mysore.

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Serial Nos. 1 to 12 of File re: financial of ~~190~~ position of Cmr Stn municipality

Proceedings number.	Subject and order.	Date of last order.	Previous Proceedings	
			Serial or Proceedings numbers and Branch	File or month.
	1. Letter to the Cr. of I. Submitting a revised draft Regulation for better management of municipal affairs in the Cmr Station.			
	2. Letter from the Cr. of I. approving the regulations with certain exceptions & modifications.			
	3. Letter to the Cr of I. submitting the opinion on the amended draft Regulation for the Cmr Stn municipality.			
	4. Letter from the Cr of I. regarding the levying of profession & other taxes on persons other than military officers &c.			
	5. Letter to the Cr of I. submitting a report on the municipal taxation and revenue of the Stn. municipality.			
	6. Letter from the Cr of I. sanctioning the existing system of Excise Revenue in the Station.			
	7. Letter to the Cr of I regarding the financial affairs of the Stn municipality			
	8. Letter to the Cr of I. reporting upon the financial position of the municipality seeking for certain explicit instructions on certain points.			
	9. Letter to the Cr of I. reporting upon the municipal financial condition of the municipality			
	10. Letter from the Cr of I. advising that they are not prepared to take over charges on account of premises & certain lights to be borne by the municipality			
	11. Letter to the Cr of I. regarding the existing taxation in the station & enclosing the promises of certain lights to the municipality.			
	12. Letter from the Cr of I. sanctioning the Subvention of Rs 25000 for the three years 1902-03 to 1904-05.			

No. 1709, dated Bangalore, the 8th May 1896.

From—W. Mackworth Young Esq., C. S. I., Resident in Mysore,

To—The Secretary to the Government of India, Foreign Department, Simla.

With reference to the correspondence ending with your No. 2689 I, dated 15th August 1895, I have the honour to submit for the sanction of His Excellency the Governor-General in Council a revised Draft Regulation to provide for the better management of the municipal affairs of the Civil and Military Station of Bangalore.

2. The draft of 1895 which was mainly a re-enactment of the existing Regulations with the addition of a number of the sections of the Madras Act (I of 1884) was considered by my predecessor Mr. Lee-Warner to be deficient in regard to certain matters explained in his No. 3019, dated 3rd August 1895, and he accordingly drafted some additional sections to be embodied therein which were given in his No. 3167, dated 14th August 1895. The Government of India consented to the tentative revision of the draft in accordance with these suggestions, but intimated that this consent implied no pledge to go beyond the lines of Act XIII of 1889 (The Cantonment Act). On going carefully into the draft, which comprised 455 sections, I found that it would need considerable modification in order to provide satisfactorily for the requirements of the place; it seemed to me also unnecessarily long, many matters being included which could more conveniently be treated in rules and bye-laws; and lastly the arrangement was very imperfect, and capable of vast improvement on the models of recent legislation.

3. I therefore came to the conclusion that the best plan would be to remodel the Regulation entirely, and to form a strong Committee to consider its provisions, representating adequately the Civil, Military and Medical interests of the Station. Brigadier General Gosset C. B., Commanding the District, not only supported this plan, but kindly consented to join the Committee himself which was accordingly thus composed.

THE RESIDENT.

BRIGADIER GENERAL M. W. E. GOSSET C. B., *Commanding the District.*
MR. A. M. SLIGHT, *District Magistrate and Collector, C. & M. Station.*
BRIGADE SURGEON LIEUT.-COLONEL A. F. DOBSON. *Residency Surgeon*
MAJOR J. M. T. BADGLEY R. E., *Ex. Engr. Military Works Department*
SURGEON MAJOR D. R. ROSS, *On Special duty Bangalore.*
MR. ABDUL RAHMAN, *Second Magistrate, C. & M. Station.*

Of these, Brigadier General Gosset, Brigade Surgeon Lieutenant-Colonel Dobson, Major Badgley and Mr. Abdul Rahman have had long experience of the needs of Bangalore. All except Brigadier General Gosset and myself are members of the Municipal Commission, and I am satisfied that no more competent body of local officers could have been constituted. Thirteen sittings were held and every provision of the amended draft has been fully discussed. I am also glad to be able to state that the Regulation has been submitted to His Excellency Lieutenant General C. M. Clarke, C. B., Commanding the Forces, Madras, and has his concurrence.

4. In accordance with a suggestion made in the Legislative Department of the Government of India, the Punjab Municipal Act, 1891 has been adopted as the model on which the present draft is based. Following its provisions and modifying them according to local requirements, the Committee then went through the provisions of the Bangalore Draft of 1895, and the results of previous experience have thus been combined with present needs. I proceed to record some general observations on the peculiar features of the Civil and Military Station of Bangalore, and I will then notice in detail the more important provisions of the draft.

5. The Civil and Military Station comprises an area of about 12½ square miles. Previous to the rendition of Mysore, it formed part of the combined municipality of the present Civil and Military Station area and of the town of Bangalore which adjoins it. When the jurisdiction of the Civil and Military Station was ceded by the Mysore State to the British Government, two municipalities were formed out of the two areas. The Civil and Military Station contained a large cantonment with about 10,000 troops, but the cantonment area was so intermingled with the area inhabited by the civil population amounting to about 83,540 souls, that its separation and subjection to cantonment rule was deemed to be impracticable. From time to time exemptions from municipal control have been ordered by the Government of India in respect of Military buildings and lands, but with these exceptions the whole has been subject to the control of the municipality. This state of affairs is probably unique; and the inconvenience arising therefrom needs no demonstration. The large Military garrison is dependent in regard to its sanitary surroundings on the ideas of municipal administration held by a majority of the Municipal Commissioners, and though two Military members have been appointed ex-officio to serve on the Commission, the standard of administration has depended mainly on the votes of the elected members who constitute two-thirds of the whole body of the Commission, and who are without exception Native Gentlemen with little or no knowledge of cantonment requirements. To meet this anomaly, the President of the Commission who is ex-officio, the District Magistrate and Collector of the Civil and Military Station, was invested under the Municipal Regulations with the sole executive authority of the Commission, but this authority was restricted by a provision which enabled the Commissioners to set aside his action when it pleased them and though the President has exercised his authority without much interference, the absence from the Regulations of any recognition of the special needs of the Cantonment has placed him in an anomalous position, and so far as he has endeavoured to meet these needs, has resulted in his acting without due authority, and in minimising the responsibility of the rest of the Commission.

6. The question what is the best method of remedying this defect is one which has engaged the most careful consideration of the Committee. On the one hand the delimitation of an area to be placed under Cantonment law, or in other words the formation of a Cantonment entirely separate from the municipal area is impracticable, on the other the continued subordination of the interests of the Military community to municipal law administered by the Municipal Commissioners is plainly undesirable. The only method seems to be to take power to exclude from municipal jurisdiction, in whole or in part, buildings and lands exclusively used for Military purposes, and to impose the provisions of any Cantonment law on such property. Grants of lands made to private persons under the conditions detailed by Mr. Lee Warner in the enclosure mentioned in paragraph 5 of his No. 3167, dated 14th August 1895, should also, we consider, be subject to such conditions as the Government of India have found to be applicable to such grants in other Cantonments in British India, or in such Cantonments as Mhow and Secunderabad. The first of these proposals needs to be accompanied by some provision entitling the Municipal Commission to receive a contribution from the Military authorities on account of institutions, roads &c., maintained from municipal funds which contribute to the safety, health, welfare or convenience of the inhabitants of buildings and lands. This principle has already been accepted by the Government of India, in regard to a contribution for the maintenance of roads and lighting, and is not therefore a new proposal. Finally provision has to be made for the exemption from certain forms of taxation of Military officers, buildings, lands and other property, subject to the general or special orders of the Government of India. The provisions of the draft which deal with these matters will be found in Sections 5, 6, 7, 41 (1), 41 (1) (B) i, ii, iii, 46 (2), 73 and 76.

7. Another important defect in the past administration of the municipal affairs of Bangalore has been the inadequacy of its sanitary arrangements. This has been fully brought out in the report of Surgeon Major Ross, submitted with this office No. 1019, dated 18th March 1896. The Health Department has had no professional supervision, and though the Residency Surgeon has for several

years been a member of the Commission, and has frequently represented the insanitary condition of the Station, his representations have failed to effect any amendment. The Municipal Commissioners, more from the lack of a properly organised Sanitary Department, than from unwillingness to accept his conclusions, have been unable to institute the needed reforms. The Resident acting on the advice of the Sanitary Board constituted by Resident's Proceedings No. 3266—4069, dated the 21st September 1889, has also from time to time brought to the notice of the Commission defects pointed out by that body, but for a want of a proper agency, little result has followed these representations. The existing Regulations provide, it is true (Section 25) for the appointment of Committees, to enquire and report on any matter referred to them by the Municipal Commissioners, but there is no provision for conferring executive authority on such Committees, and the proper organisation of a Health Department has therefore been impossible. This defect in the Regulations occurred to me before the receipt of the Government of India, Home Department Resolution No. 11—313-326, dated 26th October 1895, and I had come to the conclusion that it would be necessary to amend it in the new draft; the Resolution above quoted has now definitely enjoined the formation of a Health Department under a medical officer in important municipalities; Surgeon-Major Ross' report above quoted strongly advocates it, and the Committee assembled for considering the Draft Regulation were unanimously in favour of the measure. The result is to be found in Sections 19, 23, 25, 32 (1) (f) and 178 (1) (i) of the draft.

8. In one other important respect the present draft involves a new departure, *viz.*, in regard to control of the proceedings of the Municipal Commission. Such control is under the circumstances, essential. The presence of a large Military Community, in the midst of the municipal area, has not, in the opinion of the Committee, and, I may add, of my predecessor in office, been sufficiently recognised in the existing Regulations, which were framed upon the model of the Municipal Act for the Presidency town of Madras. The provisions for exercising this control will be found in Sections 11, 32 (1) (f) read with sub-section (2) of the same section, Section 142, and Chapter VIII. Most of these provisions are taken from the Punjab Municipal Act 1891. While they undoubtedly render the Municipal Commission more amenable to the interference of government, they need not, and I hope will not in reality reduce the status of the municipal body, or result in such interference being frequently exercised. In one important respect the position of the Municipal Commissioners is improved, in that the responsibility for carrying out the provisions of the Regulation primarily devolves upon them, and subject to the Resident's approval they will appoint their own executive, Section 25, whereas the existing Regulation, under a semblance of Municipal Government practically places unlimited power in the hands of the President, with the result described in paragraph 5. I do not consider therefore that the introduction of a more effective control from without, will be unpopular, while I anticipate that the enhanced responsibility of the Municipal Commission will lead the individual members to exert themselves more strenuously in the discharge of their duties.

9. I need only add a few remarks on particular sections of the draft. The corresponding section of the Punjab Act or of the Bangalore Draft of 1895 are noted in the margin, though where the section is almost entirely borrowed from the one, the corresponding section or sections of the other have not been quoted. I shall for the most part confine my remarks to new provisions which have not the support either of the one or the other.

Section 3. We have got rid of the bulk of the definitions 46 in number, contained in the draft of 1895. Definitions 5 to 12 are borrowed from the Punjab Act.

Section 4. Formerly the Resident had power to define municipal limits. It seems more proper that any alteration of Station limits should rest with the Governor-General in Council.

Sections 5. 6. 7. See paragraph 6 of this letter.

Section 17. The existing Regulations provide that the Secretary of the Commission if appointed a member, shall be ex-officio Vice-President. We see no reason for thus narrowing the selection of Vice-President, and no objection to allowing the Commission subject to the Resident's sanction, to appoint its own Vice-President or Vice-Presidents.

Section 19. The addition of the Medical Officer is explained in paragraph 7 of this letter. Ordinarily the Residency Surgeon will be the Medical Officer, but there seems no reason for making it impossible to put in a Military Medical Officer. The officer appointed will be chairman of the Health Committee [Section 23 (2)] and it may happen that some Military Medical Officer will have special qualifications for superintending the sanitary proceedings of the Committee.

Sections 21, 22. The form only of these sections is new. The rules regarding pensions were sanctioned in Government of India Foreign Department No. 3312 I, dated the 24th August 1892.

Section 23. See paragraph 7 of this letter.

Section 25. See paragraphs 7 and 8 of this letter.

Section 41, (1), (A), (b). The exemption of Military employes from a profession tax, which has recently been required by the Government of India in connection with the water supply scheme is provided for by the first sentence of Section 41—or by Section 46 (2) which gives the Resident power to exempt any class of persons from the payment of any tax.

Section 43. The exemption of persons in the Military service of Government from liability to pay water tax in respect of the scheme above mentioned can be effected under this and the next following section, as well as under section 46 (2). As the provisions of the section are general, we have not inserted a special proviso with this object, which is sufficiently secured otherwise.

Section 61. (2) The Punjab Act provides that the water tax shall be levied from the occupiers of buildings or lands benefitting thereby, though the tax is to be imposed on the buildings or lands. We have taken power to levy it from either the owner or the occupier. In some cases it will be almost impossible in Bangalore to realize it from the latter.

Section 69. The powers of search and arrest for unlawful sale and possession of goods liable to octroi have been very fully discussed by the Committee. The existing powers are large, but the goods liable to octroi are limited by the existing Regulations to tobacco, green and dry cocoanuts, and betel. We think it possible, especially in view of the difficulty of levying a water tax from occupiers, that the octroi schedule may have to be extended. In that case it will be desirable to safeguard the powers of search and arrest, and this is the object of the section. Some of the local officers would have preferred larger powers in regard to such search and arrest, but in view of the possibility above mentioned, I am unable to recommend that goods liable to octroi should, for the purposes of collecting the octroi, be followed into shops and houses or that persons found in possession of articles liable to octroi, and on which octroi has not been paid, should be liable to arrest except under the restrictions contained in the present draft.

Section 73. See paragraph 6 of this letter.

Section 140 (1) (e) ii and iii. These are new. Under the present bye-laws in Bangalore, persons are required to keep their buildings and walls properly leeped, white-washed or repaired but it is doubtful whether the bye-laws are not *ultra vires* being unsupported by any provision in the existing Regulations. The provisions were asked for by the local officers and seem unobjectionable.

Section 169 (1). There is an extensive organisation in the Military Department against fire, and the Field Officer of the week is, under the Military rules, responsible for the operation of the several fire brigades. He has therefore been included in the list of officers empowered under this section

Chapter VIII. See paragraph 8 of this letter.

Section 189. The provisions of the existing Regulations have been simplified, principally owing to the substitution of the reference to the Civil Procedure Code in clause (c) for the detailed provisions, which appear to be unnecessary.

10. I venture to express a hope that the Draft Regulation now submitted may speedily be passed. The revision of the existing Regulations has been under consideration for the last 12 years. The need of such revision has been fully realised, and the present time is most opportune for a new departure, inasmuch as the sanitary condition of Bangalore has just been subjected to a rigid scrutiny and the measures of reform indispensable for its proper administration have been determined. The Civil, Military and Medical authorities of the Station are now unanimous in asking for the present measure, which is based upon the model of recent legislation approved in the Legislative Department of the Government of India, and has the cordial support of His Excellency the Lieutenant General, Commanding the Forces, Madras.

C/Vol

No: 2997 I. A 2

From — The Secretary to the Govt of India Foreign Dept

To. The Resident in Mysore

Simla, the 26th Sept/96.

Sir,

I am directed to acknowledge the receipt of your letter no 1709 dated the 8th May 1896, forwarding the draft of a Regulation to provide for the better administration of the Civil & Military Stations of Bangalore.

2. The draft, which is modelled on the Punjab Municipal Act, 1891, has been carefully prepared and meets with the approval of the Govt of India subject to the following modifications.

3. As the Indian Explosives Act, 1884, and the Petroleum Act, 1886, have not been applied to Bangalore, the definitions therein of "explosives and petroleum" should be incorporated in Clause 3 of the Regulation.

Clause 41(1) A(b) is copied from Act XX of 1891, but a profession tax so closely resembles an income tax that the Govt. of India desire that wherever possible, it shall be discontinued, as infringing on the sphere of Imperial taxation. In Bangalore the tax is not of old standing, and I am therefore to enquire whether an extension of the octroi system would not prove an equally productive substitute and at the same time more economical in the way of establishment. If, however, the tax is to be retained, an addition should be made to the clause to formally exempt soldiers from its operation.

Clause 41(1) A(E) of your draft, which provides for a tax upon places where spirituous liquors are sold is open to the same objection, since the excise laws authorize the levy of license taxes on persons & spirituous liquors. In this instance

your proposal cannot claim the support of existing practice, and it is considered that the clause should be omitted.

Clause 69 of your draft reproduces the provisions of Section 69, Act XX of 1891. But the practice of farming octroi has since been condemned by the Hon'ble Secretary of State for India, and this clause must therefore be omitted.

The provisions suggested in clauses 69 and 70 of your draft are an innovation in legislation to which there is very strong objection as affording possibilities for blackmailing, even with the safeguards which you propose. As the Octroi System at present extends to only three articles, the Municipality possibly entertain too small an establishment to guard the entries to the stations. The Govt. of India cannot consent, however, that such deficiency shall be compensated by raids on shops and private houses in quest of contraband articles. The clauses should therefore be omitted. Under circumstances the Commissioners will probably find it advisable either to abandon

levy of octroi, or to expand it, as suggested above, into a fully-organized system, with checks and establishments such as are employed elsewhere.

In view of ~~further~~ future contingencies, it is expedient to attempt to frame an inclusive definition of the property which may vest in the Municipal Commissioners. Clause 76 of your draft has been amended accordingly.

To Clause 109 of your draft has been added the proviso to Section 99, Act XX of 91, on which the Clause is based.

Clauses 127 to 133 of your draft purport to refer to infectious diseases only. Cholera is not admitted to be an infectious disease; but it is desirable that provisions of the nature suggested should be applicable both to Cholera and to all contagious diseases, other than venereal. With this view, the draft has been revised.

4. The above and other minor amendments have been incorporated in the enclosed draft which I am directed

to

to forward for your opinion.

I have the

Hon H. S Barnes

Off Secy to the Govt of India

No. 4101, dated Bangalore, the 13th November 1896.

From—W. Mackworth Young, Esq., C. S. I., Resident in Mysore.

To—The Secretary to the Government of India, Foreign Department.

In compliance with the instructions contained in your letter No. 2997 I-A., dated 26th September last, I have the honour to submit my opinion on the amended draft of a Regulation to provide for the better administration of the Civil and Military Station of Bangalore.

2. The modifications proposed by the Government of India are important mainly from a financial point of view. If the omission of clauses 41 (1) A (*b*) and (*e*) is proposed only with a view to bringing the Regulation into conformity with other municipal enactments, and without any intention of interfering at present with existing sources of revenue, I do not think I need take exception to it. The taxes in question can be maintained under section 2 (2) or reimposed under section 41 (1) B, and if such is the intention of the Government of India, no inconvenience will be felt. But if the intention is to abolish the levy of these taxes from the date on which the new Regulation comes into force, then I am bound to say that I fear its enactment will result in financial chaos.

Changes proposed by Government of India.

3. The present income of the Municipal Commission is derived from the following sources:—

Present income of Municipal Commission.

		Rs.
1.	House tax at 5% on annual value, under section 64 of present Regulations	46,500
2.	Lighting tax at 1% on do under section 195 do ...	*11,500
3.	Profession tax under section 57 of do	12,000
4.	Liquor shops registration fees under section 58 of do ...	13,000
5.	Fees on sales of liquor under section 56 of do	29,000
6.	Octroi on cocoanuts, betel leaves and tobacco under section 62 B. of do	46,500
	Total.....	1,58,500

Thus it will be seen that Rs. 54,000 or 34 per cent of the present municipal income is at present levied from the sources to which the Government of India takes exception.

4. The Profession tax has been levied since 1884 under the authority of Foreign Department letter No. 2900 I, dated the 29th September 1883. The Municipal Commissioners are anxious to abolish it altogether, and the Government of India has stipulated that it should not be levied from Military employes from the date of completion of the water supply now under consideration. It is hoped that the deficiency may be made good by an extension of octroi taxation, but I trust that until some experience is gained in regard to this alternative, the tax will be allowed to remain in force, subject to the condition above mentioned. If this view is accepted, I would advise that the clause be maintained. I would suggest that it is not of great consequence that the principles regarding Imperial and Local taxation which have been elaborated for British Provinces after long experience should be strictly acted up to in a place like Bangalore where the line of demarcation between Imperial and Local interests must necessarily be less precise. As regards the exemption of the Military, I think it should date from the introduction of the water supply as stipulated by the Government of India in the agreement relating to that subject, and that the power of exemp-

Profession tax.

* More than one-fifth of (1) because remissions are given in case of (1) but not in case of (2) for unoccupied houses.

tion provided in section 46 (2) is sufficient. But if as a matter of principle great stress is laid on the immediate exemption of Military employes, I would not press for the omission of the words added to clause 41 (1) A. (b).

5. In paragraph 3 of the letter under reply it is stated that the proposal to provide for a tax upon places where spirituous liquors are sold "cannot claim the support of existing practice." I presume what is meant is that there are no other parts of India where the practice exists. The Government of India are aware of the existence of the practice in Bangalore. It is authorised by the correspondence *marginally noted, and provision has existed in the Municipal Regulation since the year 1871. I of course admit the inappropriateness of excise revenue being credited to a Municipality. But it must never be forgotten that the Bangalore Civil and Military Station is not a mere Municipality, and though a large income has been derived from excise for many years past, and the Imperial Government has quite recently engaged to furnish a water supply free of all initial cost for the use of the Station, it is I consider very doubtful whether the fact has yet been realised that what is generally regarded as municipal revenue will not be sufficient to meet the requirements of this Municipality, cantonment, small collectorate and head quarters of an administration rolled into one. At all events, it is absolutely necessary to represent that the sudden withdrawal of an income of Rs. 42,000 per annum from the revenues of the station Municipality, which cannot at once be made good by any other form of taxation, will reduce it to bankruptcy. It is not in my opinion important that provision for the levy of the taxes on spirituous liquors and places where they are sold should be retained in the Regulation if the Government will assure the Municipal Commission of a sub-vention of equal amount, until or unless other modes of taxation can be devised.

Fees on liquor shops and sales of liquor.

*No. 5910—236, R., dated 9th March 1872 from Secy. to Chief Comr. Mysore, to Foreign Dept.
No. 108, R., dated 23rd April 1872 from Foreign Dept. to Chief Comr. Mysore.
No. 783—32, R., dated 20th May 1872 from Secy. to Chief Comr. Mysore, to Foreign Dept.
No. 195, R., dated 12th August 1872 from Foreign Dept. to Chief Comr. Mysore.
No. 1247—240, dated 26th August 1882 from Resident to Foreign Dept.
No. 1317—250, dated 4th September 1882 from Resident to Foreign Dept.
No. 1102 I., dated 3rd May 1883 from Foreign Dept. to Resident.

6. I cannot help hoping that it may be found unnecessary to pursue these questions relating to the propriety of taxation which has long existed under the sanction of government, at the present juncture. The financial position of the Municipality is just at present somewhat critical. We have a large annual demand in prospect on account of the water supply; extensive drainage works may have to be carried out, and hospital extension is much required. The primary object of the amended Regulation is to improve the municipal administration, and I am anxious that this object which is of the greatest importance should not be lost sight of. The Government of India have approved generally of the lines of the draft submitted, and I venture to hope that its enactment may not be delayed by the discussion of questions relating to taxation in Bangalore which have been authoritatively settled in the past under the orders of the Government of India, merely because of precedents in other parts of India. I would again urge that Bangalore is exceptionally circumstanced, and that there is good reason for not raising too many new points in connection with the proposed amendment of the municipal Regulation.

Reasons for not disturbing present taxation.

7. With reference to the remark that clauses 69 and 70 of the draft Regulation submitted by me are "an innovation in legislation &c." I would point out that these clauses are not more stringent than those sanctioned by the Government of India in the Notification of the Foreign Department No. 1283 I., dated 25th March 1892, which have been acted upon ever since, and which I am assured, have not given rise to any complaint. It is true that hitherto the articles liable to octroi have been very limited in number, and it is contemplat-

Search for articles liable to octroi.

ed to extend the schedule. But the omission of the clauses will preclude the Municipal Commissioners from continuing their present procedure, should they find that they are unable to include other articles. As explained in my former letter, I was averse to maintaining the stringent provisions of the old law in regard to an extended octroi schedule without some safe guard; but the decision of the Government of India to omit the clauses even as amended is represented as likely to imperil the existing octroi revenue, and make its extension very difficult. Here again I would venture to recommend that the provisions sanctioned by the Government of India which have been in force for some years, without giving rise to any complaint, should not be suddenly cancelled on theoretical grounds.

On clause 76 of the draft.

8. I am inclined to think that a definition of municipal property is desirable and I do not know what "future contingencies" are alluded to, as likely to render such a definition inexpedient. If the water supply is meant, the works connected with it might be specially exempted. As an instance, I believe the legal right of the Municipality to house sweepings has in some cases been questioned. The question is one however which I am quite content to leave to the decision of Government.

9. In view of the prevalence of enteric fever in the station, and of the belief entertained by the medical authorities that this disease is often traceable to impure milk and butter brought into the station for sale, I recommend that the provisions of section 1 of Act XVIII of 1896 should be inserted in the Regulation in section 102.

10. Subject to the above remarks and to a few verbal amendments suggested in the enclosed Draft, I beg to express the opinion that the draft as now amended is appropriate, and to express a hope that it will be passed at an early date.

Residency Press, Bangalore.—13-11-96.—50.

No. 2231 I.-A.

FROM

THE SECRETARY TO THE GOVERNMENT OF INDIA,

To

THE RESIDENT IN MYSORE.

FOREIGN DEPT.

SIMLA, *the 12th June 1897.*

SIR,

I am directed to acknowledge the receipt of Mr. Mackworth Young's letters No. 4101 and No. 4106, dated the 13th November 1896, on the subject of the draft Regulation to provide for the better administration of the Civil and Military Station of Bangalore.

2. It has been decided to permit the Municipal Commission to continue, for the present, to levy a profession tax on persons other than military officers or soldiers employed on military duty in the Civil and Military Station. These classes, which are held to include ladies of the Indian Nursing Association, have been exempted from such taxation by the agreement* of February 1897 with the Municipal Commissioners, in part consideration for the water-supply presented to the Civil and Military Station by the Government of India. Section 41 of the new law, therefore, reproduces the original draft under this head, though it will be advisable to formally notify the exemption of these classes under Section 46 (2), pending the total abolition of the profession tax as desired by the Municipal Commission.

* Enclosure to the letter from the Government of India in the Foreign Department, No. 660 I.-A., dated the 18th February 1897.

3. The Government of India have considered Mr. Young's representations on the subject of excise taxation, but adhere to their objection to a Municipal tax upon places where spirituous liquors are sold. Section 41 (1) A (*e*) of the original draft cannot, therefore, be accepted. At the same time, for the reasons adduced by Mr. Young, the Government of India will permit the continuance of the present tax on liquor, as a temporary measure, pending a decision as to the abkari system to be adopted in future in Bangalore: thereafter they will be prepared to grant the Municipal Commission, concurrently with the abolition of the present tax, such subvention from the general revenues of the Assigned Tract as they may from time to time consider to be advisable on an examination of the Municipal finances. Your report † regarding abkari arrangements in Bangalore is under consideration, and I am now to request that a full account of the Municipal taxation and resources and the requirements of the station may be submitted as soon as possible. The new law has been framed on the above understanding. Accordingly, as the present tax is levied "with the approval of the Resident in Mysore and sanction of the Government of India" under Section 34 of the existing law,‡ and as a similar tax could, with the like dual sanction, be imposed under Section 41 (1) B of the new law, the present tax will continue to be leviable without further sanction until abolished under the new Section 45.

† Letter No. 180, dated the 9th May 1897.

‡ Published with the Notification of the Government of India in the Foreign Department, No. 319 I., dated the 9th February 1883.

4. Mr. Young's remarks have not controverted the objections to clauses 69 and 70 of the original draft. But on the understanding that the Municipal Commission recognize the importance of the interests to be protected and are prepared to recast the present scheme of taxation, clause 69 has been incorporated in the new law as Section 67, and the powers sought to be secured by clause 70 have been provided by Section 192.

5. . With these remarks I am to forward, for your information, a copy of the Bangalore Municipal Law, 1897, as approved by the Governor-General in Council. You will observe that Mr. Young's suggestion has been accepted with regard to Section 102, and that all doubts as to the property vested in the Commission are removed by Sections 73 and 120. Minor amendments have been introduced into Sections 2, 49, 50 and 143, 53 (1), 136 (5), 137 (1) (*h*) (ii) and 192. In Sections 50 and 143 the expression "officer holding the appointment of District Judge" has been substituted in order to accentuate the principle that the appeals provided for by those sections are executive matters to which the technicalities of judicial procedure are inapplicable. The notices prescribed by Section 53(1) are now subject to the provisions of Section 182. To Section 136 (5) has been added a proviso on the lines of Section 26 of the General Clauses Act, 1897 (X of 1897), while the language of Section 192 has been assimilated to that of Section 83 (1) of the Punjab Municipal Act (XX of 1891). Finally, it has been decided that the designation "Regulation" had better henceforth be restricted to Regulations made under the Government of India Act, 1870 (33 Victoria, Cap. 3), and the title of the present enactment has, therefore, been changed to "the Bangalore Municipal Law, 1897."

I have the honour to be,

SIR,

Your most obedient servant,

(Sd.) W. J. CUNINGHAM,
Secretary to the Government of India.

Foreign Office Press—No. 254—14·6·07—38.

No. 364, dated Bangalore, the 27th January 1898.

From—Lieut.-Colonel Donald Robertson, I. S. C, Resident in Mysore.

To—The Secretary to the Government of India, Foreign Department.

I have the honour to acknowledge receipt of your letter No. 2231 I. A., dated the 12th June 1897, with which was forwarded a copy of the Bangalore Municipal Law, 1897, as approved by the Governor-General in Council.

2. With reference to paragraph 2 of your letter above quoted, I attach a copy of a Notification (No. 3475, dated the 21st August 1897) issued by me under Section 46 (2) of the Law, exempting Military Officers and Soldiers, as also Ladies of the Indian Nursing Association, from payment of profession tax.

3. In compliance with the request contained in the 3rd paragraph of your letter, I beg to submit the following report on municipal taxation and resources and the requirements of the Civil and Military Station. I have taken the word "requirements" to mean those needs of the Station which would ordinarily be met from municipal funds and not, for instance, public offices for (a) my establishment, (b) the Collector and other functionaries in the Station including a Court for the Honorary Magistrates and a Treasury which will be necessary, the Accountant General considers, the present arrangements being entirely inadequate. As the Government of India are aware office accommodation is here urgently needed, and I propose, the principle having been conceded that the Revenues of the Civil and Military Station are to be expended for the benefit of the Assigned Tract, shortly to place before the Government of India definite proposals which have only been delayed in order to enable me with more experience of the place, to estimate accurately what is actually required, and the order of precedence to be assigned to each project.

4. The statement marked A, and attached, gives the actual receipts and expenditure under the various budget headings for the three years ending the 31st March 1897, together with the average annual amount of such receipts and expenditure. It will be seen that whereas in the years 1894—95 and 1895—96 the receipts exceeded the expenditure by some sixty three thousand and thirty four thousand rupees respectively, the expenditure in 1896—97 exceeded the receipts by nearly Rs. 6,000 and this notwithstanding the fact that those receipts were higher than in either of the two preceding years. The increased expenditure was mainly under Public Works "new works," "repairs," "conservancy" and charges in connection with the "deputation of Surgeon-Major Ross."

5. The expenditure on sanitary measures, now Rs. 88,367, has materially increased, but this was inevitable. The needs of Bangalore in this direction are very great, and to judge by the reports of Surgeon-Major Ross, and the criticisms which so constantly appear in the newspapers, I am afraid that there is much to be done before the Station will become what, with its excellent situation and climatic advantages, it should be, a sanatorium and health resort for Southern India. I would here invite attention to the forcible but abundantly justifiable language used by Mr. Lee-Warner in his letter No. 3167, dated the 14th August 1895, on this subject. The new Law gives the Resident an ample control which I do not in the interests of sanitation hesitate to use, but when efficient conservancy in such a crowded locality has been signally neglected for a number of years, measures of reform cannot be hurriedly introduced and are, necessarily, costly.

6. It must be remembered that statement A relates to a period during which the Bangalore Municipal Regulations of 1883 were in force. These Regulations have been repealed by section 2 (1) of the Municipal Law of 1897, and it is necessary to consider what will be the probable future income of the municipality in consequence of—

(*a*) the introduction of this new Law and

(*b*) the directions and wishes of the Government of India regarding the tax on liquor and the profession tax as expressed in your letters Nos. 2997 I. A.,

dated the 26th September 1896 and 2331 I. A., dated the 12th June 1897, and what the probable expenditure under normal conditions will amount to.

7. To facilitate a consideration of this matter I attach a statement marked B which, together with an explanatory note has been prepared by the President of the Municipal Commission. The figures in this statement are based on those in statement A and differences are explained in the "remarks" column.

It seems to me necessary to consider the case mainly with reference to the proposed withdrawal of the municipal receipts from excise which will presumably in future form part of the revenues of the Assigned Tract. Having to deal with various matters which are more or less conjectural, Mr. Slight was necessarily at some disadvantage in preparing the estimate of municipal requirements. It is, for instance, impossible to say what the octroi, which is to supersede the present system of levying a revenue from tobacco and betel leaves, as well as to replace the profession tax will produce. A similar difficulty presents itself regarding the cost of the permanent octroi establishment, nor can the probable expenditure in maintaining the Water-Supply be as yet accurately stated. For practical purposes we may, however, assume that the expenditure on this account and receipts from the water tax will approximately balance each other, and that neither require to be considered for the purposes of the present report. The Station has been exceptionally well treated in escaping from the necessity of raising capital, with its attendant interest and instalment obligations, and there can be no hardship on the tax payers in being asked to meet purely maintenance charges. Similarly it seems better to leave the drainage scheme out of the account altogether. No system has as yet been definitely adopted, nor can I conceal from myself the apprehension lest a total or even partial failure of the water supply, after a succession of 2 or 3 years of scanty rainfall, may not render any scheme that could be devised if frequent flushings were not possible, a source of possible danger far greater than is now afforded by the partly open drains, admittedly imperfect though they be. I would not be understood to prophesy a failure of the Hesserghatta scheme, but we have not there the perennial supply of a large river, and the element or chances of failure can, for some years at least, never be entirely absent from our minds. Moreover, before the Municipal Commissioners embark on a drainage scheme I venture, without any disparagement of Captain de Lotbinière's ability, to stipulate that the project be thoroughly examined by some expert with special reference to the adequacy of our normal supply of water. And finally I hope I am justified in assuming that when the day arrives for the adoption of a thoroughly matured drainage project, the matter will be taken into consideration by the Government of India, looking to the importance of Bangalore, as one justifying a substantial grant-in-aid from the revenues of the Assigned Tract. For the foregoing reasons I regard the question of providing funds for a drainage scheme as outside the normal financial resources of the Municipal Commission.

8. To return to Mr. Slight's Note and statement B., he places the ordinary revenue at Rs. 2,36,049, with an expenditure of Rs. 2,86,135, affording thereby roughly a deficit of Rs. 50,000 per annum. I may mention that the expenditure sanctioned for the current year is Rs. 3,24,192 against a revenue of Rs. 3,13,609.

The President's estimate of normal revenue and expenditure, it will be seen, assumes that the present receipts from excise are withdrawn: practically therefore all that seems to be needed, in order to restore financial equilibrium, is a subvention from Government of Rs. 50,000 annually. It may perhaps be considered that this is a somewhat illiberal view of the situation, seeing that no margin is left for possible failure of income, or unavoidable additional expenditure, and that the requirements detailed by the President in paragraphs 4, 16, 17, 18 and 19 of his Note have been to some extent at least disregarded. I have however, dealt with I water supply, III new drainage and IV octroi establishment, above, and will make my recommendation regarding No. II Bowring Civil Hospital, further on. As regards other requirements the Commissioners have at present a cash balance of Rs. 85,956: this can, if necessary, be drawn upon to provide for some of the requirements specified, without unduly depleting the cash reserve: for the rest, the Board must rearrange their expenditure in order to provide funds for obligatory expenditure.

9. It will probably be some time before the octroi arrangements are in working order and as I have mentioned it is impossible now to estimate with any pretence at accuracy what the results of the introduction of this tax may be. I would therefore recommend that for the year 1898—99 Rs. 50,000 be paid to the Commission in lieu of the Registration and License fees they now realize. Their budget is now under preparation but the change indicated will not in any way prejudice their estimate. Before the commencement of 1899—1900 we shall be in a better position to appreciate what their requirements will be, with reference to the estimated proceeds of the octroi, whilst there can be no necessity at present to pledge the Government of India to contribute any definite sum for a term of years. At the same time it is obvious that a subvention from Public Revenues is really required. The accounts of the municipality have recently been subjected to an audit by an official lent by the Accountant General, Madras, the result of which was entirely satisfactory; any tendency towards extravagance or unnecessary expenditure is at once checked by my office: the Government of India may therefore rest assured that the rate-payers receive full value for the taxes paid, and that the trust imposed on the Commission is discharged in a businesslike and advantageous manner.

10. In addition to the grant of Rs. 50,000, I would ask that a sum of Rs. 20,000 be given during 1898—99 from the revenues of the Assigned Tract to meet a portion of the estimated cost (48,000) of enlarging the present Bowring Civil Hospital accommodation (see paragraphs 4 and 6 of Mr. Slight's Note). Rs. 24,000 in addition to the sum named above, have been generously supplied by private donors for the erection of new wards and the hope expressed to me by the Commissioners on various occasions seems a reasonable one *viz.*, that as the project is one of considerable public importance the Government of India might consent to relieve Municipal revenues of a portion of the initial cost. I have no hesitation in recording my opinion that the present condition of the Bowring Hospital in reference to the accommodation it affords is eminently discreditable—the interior space is so limited and the numbers using the Institution are often so large that the premises have become very insanitary—indeed the surroundings are so unhealthy and unpromising for surgical work that the risks attending such cases are seriously enhanced. A carefully matured scheme has been adopted whereby the present building will be used in future solely as a Hospital for males, and by the demolition of a purdah wall and some very insanitary kitchens, the interior space will be enlarged and ventilation thereby facilitated. For the accommodation of women, detached wards, with an encircling wall, will be built on a vacant space immediately adjoining. The three new female wards paid for by private liberality are approaching completion, and what the Municipal Commissioners require is the promise of a grant from the revenues of the Assigned Tract to enable them, with the money they can afford to spend, to complete the work out of hand. I can confidently state that there is no project in the Civil and Military Station which approaches in importance and urgency the proposed extension of the Bowring Hospital. I hope therefore that the grant of Rs. 20,000 now asked for will be sanctioned in addition to the subvention of Rs. 50,000 for the official year 1898—99.

Notification.

No. 3475, dated 21st August 1897.

In exercise of the powers conferred by Section 46, clause (2) of the Bangalore Municipal Law, 1897, the Resident in Mysore is pleased to exempt all Military Officers or Soldiers who are or may be from time to time employed on Military duty in the Civil and Military Station of Bangalore, from payment of any tax to the Municipal Commission on account of their profession as Military Officers or Soldiers.

The foregoing exemption also applies to Ladies of the Nursing Association employed on nursing duty in Bangalore.

"By Order"

K. D. ERSKINE, CAPTAIN,
First Assistant to the Resident.

NOTE BY THE PRESIDENT

The accompanying statements, A. and B., will be found to afford information on the following points :—

STATEMENT A."

Information as to the actual receipts and charges under budget heads detailed, for 3 years ending 31st March 1897, together with the average annual amount of such receipt and expenditure.

"STATEMENT B."

Information as to what may be considered the normal annual expenditure (setting aside certain necessities which will be found alluded to hereafter) with reasons for differences between the amount shown therein and the averages shown in statement A.

2. Statement B. fairly exhibits the resources as well as the necessities of the Commission under normal conditions, and as all the items of expenditure exhibited thereon may be said to be of an obligatory nature (under the provisions of Section 69, Bangalore Municipal Law, 1897), it has not been considered necessary to prepare any further statement at present.

3. It will be seen from statement B. that the estimated expenditure is in excess of receipts to the extent of Rs. 50,086.

4. In addition to this amount the following requirements must be taken into consideration.

I Water supply.

II B. C. Hospital, new building and maintenance.

III New drainage.

IV Establishment charges connected with proposed extension of Octroi.

5. The first of these, *i. e.*, water supply, has been variously estimated at from Rs. 63,000 to Rs. 75,000 per annum, and it might be well to place the figure at Rs. 70,000.

6. With regard to II, the total estimated cost of new buildings is about Rs. 80,000, of which amount, Rs. 24,000 will be provided by private contribution and Rs. 8,800 have been provided in the budget for the current year, thus leaving Rs. 47,200, or, say, Rs. 48,000 to be provided. If this money has to be borrowed the cost thereof will entail an annual charge of Rs. *2,400; the maintenance of the hospital after enlargement will entail an additional annual expenditure of Rs. 6,000, thus making in all Rs. 8,400 on account of hospitals.

*At five percent.

7. In the absence of a detailed scheme for the new drainage, it is difficult to exactly estimate what the annual cost may be to the Commission, but assuming that the cost of such a scheme would be Rs. 8,00,000, the annual charge on account of capital would be Rs. 40,000 and maintenance charges might fairly be assumed at Rs. 10,000 or a total charge of Rs. 50,000 per annum on this account.

8. The present charges on account of Octroi Establishment, &c., amount to Rs. 12,408 for the collection of revenue amounting to Rs. 45,629 thus representing a charge on account of establishment, &c., of (approximately) 28%. It is proposed (paragraph 12 following) to increase the revenue on account of

Octroi to as much again as is now collected or perhaps to Rs. 1,00,000, and for this purpose some increase to establishment, &c., will be necessary; this increase may be computed at half as much again as the present charge or about Rs. 19,000 in all, representing a charge on account of establishment, &c., of 19%. Increase Rs. 6,592.

9. From the foregoing it will be gathered that if all the above proposals are to be carried out; provision must be made to the extent of Rs. 1,85,078 as follows:—

	Rs.
Estimated excess expenditure ...	50,086
Water supply	70,000
Hospital buildings and maintenance charges	8,400
Drainage	50,000
Octroi establishment charges	6,592
Total Rs.....	1,85,078

10. The sources from which it might be possible to make provision on account of these charges are:—

i by an increase to the house-tax of 5% at present levied. See Section 41 A. (a) i, Bangalore Municipal Law, 1897.

ii by the imposition of a tax on vehicles and animals used and kept in the Station. Section 41 A. (c), Bangalore Municipal Law, 1897.

iii by the imposition of a toll on vehicles and animals entering the Station. Section 41 A. (d), Bangalore Municipal Law, 1897.

iv by an extension of the Octroi under Section 41 A. (e). Bangalore Municipal Law, 1897.

v by the imposition of a water tax, section 43 Bangalore Municipal Law, 1897.

11. Under i above an increase to the extent of 5% is admissible; but as a tax of 6% will be proposed under v above, the incidence of which will fall upon the same tax-payer, it is considered that an increase of 1% only is advisable on the present tax on buildings and lands. This increase would yield Rs. 10,172.

12. With regard to ii, iii, and iv above, the members of the Committee which was convened under the operation of paragraph 8 of Proceedings of the Resident in Mysore No. 2242, dated 23rd June 1896 (*in re* budget estimate of 1896—97) have expressed the opinion that the levy of a tax upon vehicles and animals kept in the Station "would form too inconsiderable an increase to receipts to warrant its collection in view of the disfavour in which it would be held." The imposition of a toll on animals and vehicles entering the Station was objected to on general grounds by the Resident in Mysore (paragraph 4 of letter No. 2949, dated 29th August 1893) unless there was an absolute necessity for the same. Revenue under heads ii and iii above cannot therefore be looked for with any degree of confidence. The revenue from Octroi—head iv—might it is thought, be extended so as to yield about Rs. 1,00,000 which would be a little more than double that at present obtained (45,629). This subject is still under the consideration of a joint Sub-Committee of the Commissioners of the City and Station Municipalities, which was convened in reference to this office No. 1649, dated 9th September 1896 and sanctioned as per No. 4267, dated 25th November 1896 from the First Assistant to the Resident. A record of the proceedings of this Committee up to April 1897, was forwarded to the First Assistant to the Resident with this office No. 155, dated 8th April.

13. A water-tax at 6% under v above would yield a revenue of Rs. 61,034.

14. Under Section 42, Bangalore Municipal Law, 1897, a house scavenging tax may be imposed, but although a change may be made in the form of its incidence, the tax is not likely to be made heavier than the present conservancy cess.

15. The sources of income above indicated would give an aggregate amount of Rs. 1,25,577 against a deficit of Rs. 1,85,078, thus leaving Rs. 59,501 still to be provided annually.

16. This latter amount does not however include any provision for :—

(a) new works of any importance

(b) staff for fire brigade

(c) salary of Medical Officer

17. It is impossible to estimate requirements under the first of these heads as the works undertaken must always depend on the funds available, but it is undoubted that there are a very large number of works which are very desirable for the improvement of the Station, and it may be taken that from 15,000 to 25,000 Rs. or an average of Rs. 20,000 would be a very reasonable annual expenditure on such. In this connection, the general weakness of the establishment of the works department may here again be brought to notice. The present establishment charges of the department represent 10% of the expenditure on works, whereas the general principle is to allow 20% of expenditure under grant I for the establishment of the works department. In view of the largely increased duties likely to fall upon the establishment, it is considered that the same limit of 20% (which is frequently exceeded in Local Fund Establishment in Districts in the Madras Presidency) should be allowed for, in making general estimates, such as the present resource and liability estimate.

18. With regard to (b) above, the sum of Rs. 600 has been entered in statement B. in connection with fire engines, but this merely provides for contingencies and a small establishment to look after the hose and appurtenances. It is however considered that further provision will be necessary on account of the nucleus at all events of a fire brigade, and for telephonic communication with Police Stations, for both of which an estimate of Rs. 2,000 per annum does not seem exorbitant.

19. In reference to (c) above, provision will be necessary on account of (i) an increase to the pay of the Health Officer (Rs. 300 per mensem at present) or (ii) for the pay of a Medical Officer. In the former case the salary may be stated at from Rs. 300—Rs. 600 per mensem as originally proposed, and this would mean an increase of Rs. 2,700 per annum, being $\frac{3}{4}$ths of the difference between the minimum and maximum salary per mensem. If the payment to a Medical Officer is decided upon, the amount to be provided would be approximately the same.

20. Before concluding this note, it may be mentioned that the Sub-Committee on octroi referred to in paragraph 12 *supra* have stated that in their opinion the time for the abolition of the Profession Tax, which is viewed with much disfavour, has not arrived. In view, however, of the general revision of taxation now to be made, it is probable that this opinion may no longer stand ; if it should not, the deficit to be made good from other sources would be increased by Rs. 9,886.

21. In consideration of the foregoing, and if it is desired that the affairs of the Municipality be conducted in a manner befitting the importance of the Station, it is considered that a grant of at least Rs. 1,00,000 per annum will be required over and above the resources above indicated.

Statement A.

Showing Actual Receipts and Expenditure under various heads for three years ending 31st March 1897, and the average annual amounts thereof.

Heads of Receipts.	Actuals for 1894—95.	Actuals for 1895—96.	Actuals for 1896—97.	Average for three years ending 31st March 1897
Rates and Taxes.				
Tax on professions and trades	15,835	7,699	13,622	12,386
Tax on houses, buildings and lands	48,916	52,506	51,974	51,132
Lighting tax	11,896	12,664	12,528	12,363
Town duties	47,130	45,958	43,799	45,629
Revenue derived from Munl. property, &c.				
Rent of lands and buildings	10,807	10,585	11,045	10,812
Sale proceeds of land	7,921	...	...	2,640
Fees	30,777	31,773	34,899	32,483
Produce of lands	964	1,127	1,237	1,109
Sale of old materials and tools	228	684	867	593
Miscellaneous license and Registration fees — Fixed registration fees	13,529	13,014	13,249	13,264
Miscellaneous license and Registration fees — License fees on excess sale of Beer and Arrack	28,736	31,237	31,064	30,346
Miscellaneous license and Registration fees — Other miscellaneous	7,065	7,100	6,264	6,810
Conservancy receipts	6,025	9,295	20,657	11,992
Process fees	741	1,627	1,613	1,327
Fines	2,142	1,485	1,623	1,750
Interest on fixed deposit	200	194	674	356
Grants and Contributions.				
Government	45,540	44,609	46,939	45,696
Pensionary contributions	2,171	1,733	2,372	2,092
Miscellaneous.				
Quarry licenses	72	72	53	66
Fees under hackney carriage rules	3,427	3,407	3,268	3,367
Cattle pound fees	1,777	1,656	2,120	1,851
Sale of copies of municipal Regulations and Bye-Laws	17	1	...	6
School fees	41	65	54	53
Town duty miscellaneous receipts	96	46	26	56
Refund from expenditure of previous years	69	3	229	100
Extraordinary	133	745	2,686	1,188
Total Rs.....	2,86,255	2,79,285	3,02,862	2,89,467

Heads of Expenditure.	Actuals for 1894—95.	Actuals for 1895—96.	Actuals for 1896—97.	Average for three years ending 31st March 1897
Public Works.				
New works	18,611	28,184	42,416	29,737
Repairs	41,478	42,498	55,242	46,407
Establishment	11,159	4,007	10,212	8,459
Tools and plant	570	726	454	583
Miscellaneous	373	296	455	375
Education.				
Grant-in-aid to primary schools	7,444	7,726	8,528	7,899
Building grants	...	...	235	78
Sanitation and Medical Services.				
Hospitals and dispensaries	26,484	27,659	28,989	27,711
Vaccination	2,289	2,708	3,128	2,708
Registration of births and deaths	719	1,193	1,333	1,082
Conservancy	41,224	51,676	70,097	54,332
Cholera and other charges	...	2,867	2,706	1,858
Deputation of Surgeon-Major R. Ross	...	...	10,924	3,641
Laboratory	...	...	486	162
Miscellaneous.				
Lighting	15,220	12,289	15,390	14,300
Markets	2,266	3,542	2,225	3,618
Slaughter-house	1,180		1,642	
Maintenance of avenues	306	557	417	427
Public parks	2,054	1,633	1,941	1,876
Pounds	1,490	1,484	1,481	1,485
Hackney carriages	2,258	2,287	2,296	2,280
Prosecution	1,502	1,806	1,611	1,640
Fire engines	...	20	18	13
Other charges	10,908	11,790	3,309	8,669
Charitable grants	3,985	4,160	4,793	4,313
Acquisition of lands	3,000	520	155	1,225
Supervision and Management.				
Salaries of officers	3,600	7,215	3,600	4,805
Head office	8,081	6,691	8,582	7,784
Assessment and collection	6,899	8,921	13,186	9,669
Town duties	10,811	11,316	11,831	11,319
Pensions and Gratuities.				
Pensions and gratuities	86	1,660	959	901
Total Rs.....	2,23,997	2,45,431	3,08,641	2,59,356

Statement B.

Showing average annual Receipts and Expenditure with explanation to account for the differences between the amounts shown herein and the amounts shown as averages on statement A.

Heads of Receipts.	Average receipts for 3 years ending 31st March 1897 after deducting abnormal receipts, &c.	Remarks accounting for difference between this statement and statement A.
Rates and Taxes.		
Tax on professions and trades	9,886	—2,500 Military profession tax.
„ on houses, buildings and lands	50,862	— 270 Government buildings.
Lighting tax	...	—2,063 Do
Town duties	45,629	—10,300 Not leviable under Munl. Law, 1897.
Revenue derived from Munl. property, &c.		
Rent of lands and buildings	10,812	
Sale proceeds of land	...	—2,640 There being no lands for sale.
Fees (slaughter-house, market, bandy stand, and firewood and cattle stand)	32,483	
Produce of lands	1,109	
Sale of old materials and tools	593	
Miscellaneous license and Registration Fees. — Fixed Registration Fees ...	...	Omitted not leviable under Munl. Law, 1897.
Miscellaneous license and Registration Fees. — License fees on excess sale of Beer and Arrack...	...	
Miscellaneous license and Registration Fees. — Other Miscellaneous Fees...	6,810	
Conservancy receipts	20,600	The actuals of 1896—97 have been taken in this case.
Process fees	1,327	
Fines	1,750	
Interest on fixed deposit	356	
Grants and Contributions.		
Government	45,696	
Pensionary contributions	2,092	
Miscellaneous.		
Quarry licenses	66	
Fees under hackney carriage rules	3,367	
Cattle pound fees	1,851	
Sale of copies of Municipal Regulations and Bye-Laws	6	
School fees	53	
Town duty miscellaneous receipts	56	
Refund from expenditure of previous years ...	100	
Extraordinary	545	—29 abnormal receipts 1894-95 (damages to lamp post and wire fencing).—400 abnormal receipts 1895—96. (Contribution for pumping water from Sankey's Tank).—1,500 abnormal receipts 1896-97. (1,000 Rs. forfeited by late lighting contractor plus 500 Rs. received from Miss Mullins).
Total Rs.....	2,36,049	

Heads of Expenditure.	Average expenditure for 3 years ending 31st March 1897 after deducting abnormal expenditure, &c.	Remarks accounting for difference between this statement and statement A.
Public Works.		
New works	13,469	—Rs. 16,268 on account of works as per statement attached.
Repairs	46,407	
Establishment	10,508	Being present sanctioned establishment
Tools and plant	583	
Miscellaneous	375	
Education.		
Grand-in-aid to primary schools	10,500	Being present sanctioned charges.
Building grants	78	
Sanitation and Medical Services.		
Hospitals and dispensaries	30,915	Do
Medical ... — Vaccination	5,631	Do
Medical ... — Registration of Births and Deaths		
Conservancy	88,367	— Do
Tank conservancy	1,594	Do
Cholera and other charges	1,858	
Laboratory	...	Included under medical.
Miscellaneous.		
Lighting	14,300	
Markets and slaughter houses	3,618	
Maintenance of avenues	427	
Public parks	1,876	
Pounds	1,485	
Hackney carriages	2,280	
Prosecution	1,640	
Fire engines	600	
Other charges	5,629	—Rs. 3,040 on account of charges as per statement attached.
Charitable grants	4,860	Being present sanctioned charges.
Acquisition of lands	1,225	
Supervision and Management.		
Salaries of officers	3,600	Do
Head office	8,494	Do
Assessment and collection	12,228	Do
Town duties	12,408	Do
Pensions and Gratuities.		
Pensions and gratuities	1,180	Do
Total Rs.....	2,86,135	

Statement of works referred to in Statement B against item of expenditure "New works" in column of remarks.

Names of works executed.	Cost.		
1894–95.			
Pumping water from Sankey's tank to 3 Reservoir	600	0	0
Alteration to sheep slaughter-house	3,934	14	10
Construction of tools house for Municipal parks and gardens	1,416	11	6
Constructing sunshades to Shoolay firewood stalls	112	10	5
Construction of a latrine in the Mayo Hall compound, &c.	714	6	10
Construction of stables in the Mayo Hall compound, &c.	915	10	4
Construction of an office for the Collector of Municipal taxes	1,840	9	4
Construction of a latrine and cubicles for cow-shed	612	3	8
Construction of cinerators	404	15	6
Constructing a new wall, culvert, shed, &c., at the public bandy stand	1,459	6	1
Fixing wire netting, &c., to the window of St. Andrew's clock tower	95	8	0
Levelling police drill ground	510	10	0
Improving Thumboo Chetty's Dispensary at the Bowring Civil Hospital ...	505	15	11
1895–96.			
Forming new road for conservancy carts along Shoolay Main Sewer from Palm Grove road to acqueduct No. 1	303	4	1
Improving floor of verandahs and stalls mutton market	708	0	2
Leantos to Division offices, Northern and Southern Divisions	1,808	11	7
Improvements to new market by having a verandah at back of fruit and vegetable stalls	2,416	6	0
Improving beef and egg market	2,572	2	2
Constructing butter churning and office rooms in the cow-shed, Victoria Park ...	613	3	9
Constructing kitchen room in the cow-shed, Victoria Park	133	14	0
Constructing firewood depot to cinerators	304	13	8
Constructing 2 additional rooms in the office of the Revenue Department, Mayo Hall.	1,128	6	10
Dismantling and reconstructing Conservancy Overseer's quarters on Oossoor road ...	1,303	7	6
Constructing a verandah in rear of clock tower, new market...	460	14	8
Alteration to sheep slaughter-house	482	4	0
Constructing milk-shed in new market	614	1	4
1896–97.			
Constructing Chutrum and hospital for pilgrims	5,992	1	2
Constructing isolation hospital attached to Bowring Civil Hospital	12,801	13	6
Constructing a room for peons on duty at the entrance gate of Bowring Civil Hospital	154	14	11
Constructing additional dairy rooms to the cow-shed	751	0	7
Improvements to revenue office	1,088	13	8
Constructing water closets in the egg market	1,112	9	10
Constructing flushing in tank on Main Sewer	929	2	4
Total for 3 years.....	48,803	12	2
Average for 1 year.....	16,268	0	0

Statement of charges referred to in Statement B. against item of expenditure "Other charges" in column of remarks.

Particulars.	Cost.		
1894–95.			
Remuneration to the Municipal valuator and clerk, also carriage hire to the Municipal Commissioners in the revision of H. and L. R. and profession tax ...	1,327	8	0
Extra establishment for preparation of plant, &c., of the proposed improvement to the Bowring Civil Hospital	300	0	0
Commission to Mr. S. Lescevich for the unconfirmed sale of ground in Sultanjee Guntah	182	8	0
Bonus to Mr. Abdul Rahman Saib, valuator	300	0	0
Cost of Photo—zincographing the map of Civil and Military Station, and City of Bangalore	904	8	0
Fee paid to Mr. Todd for preparation of map of Bangalore	600	0	0
Cost of lithographing 50 copies of plan and section of Main Sewer	75	12	0
1895–96.			
Charges incurred in connection with the Reception of His Excellency the Viceroy and Governor-General of India at Bangalore	5,430	1	0
Total for 3 years.....	9,120	5	0
Average for 1 year.....	3,040	0	0

Residency Press, Bangalore.—29-1-98.—60.

From the Assistant Secretary to the Government of India in the Foreign Department to the Resident in Mysore, dated Fort William, the 17th March 1898, No. 745 I/A.

I am directed to acknowledge the receipt of your letter No. 364, dated the 27th January 1898, regarding the Municipal taxation, and the resources and requirements of the Civil and Military Station of Bangalore.

2. The estimated normal revenue assuming that present receipts from excise are withdrawn, is, approximately, Rs. 50,000 less than the estimated normal expenditure. You represent that it is not at present possible to estimate with any accuracy the proceeds of the octroi, and you accordingly suggested that, for the year 1898-99, a subvention of Rs. 50,000 should be made, from the revenues of the assigned tract, to the Commissioners, in the expectation that, before the commencement of 1899-1900, the requirements and the probable proceeds of the octroi would be more accurately ascertained.

3. Under the circumstances explained in your letter, the Government of India prefer that the existing system as regards excise revenue should continue unchanged in 1898-99. It is understood that you agree to this and will furnish, in due course, a clearer exposition of the financial position of the Municipality with your views as to the resources from which any necessary funds should be raised when the excise revenue is withdrawn. I am, however, to state that the Government of India are not prepared to admit, as a sufficient reason for a subvention, the statement that the requirements of the Civil and Military Station are in excess of what can be met from the revenues as they exist. Before a subvention could be agreed to, it would be necessary to show conclusively that the Municipality are bearing a reasonable quantity of taxation and that no measures have been omitted which might secure financial equilibrium without extraneous aid. Special attention should be paid to the incidence of taxation per head of population. The note attached to your letter appears to indicate that the incidence of taxation in Bangalore is considerably lower than in other stations and sanitaria of equal importance. A detail which needs explanation is the nature of the local cess on arrack, toddy and ganja, mentioned in appendix XVIII (ii) of your letter 180 camp, dated the 9th May 1897. The proceeds of this cess are not included in the items of receipt given in statements A and B enclosed with your letter under reply, and are therefore presumably not a part of the Municipal income. They were, however, entered under the head "share of excise revenue enjoyed by the Municipality" in the above appendix.

4. You have also asked that a grant of Rs. 20,000 should be made, during the year 1898-99, from the revenues of the assigned tract, to meet a portion of the estimated cost of increasing the accommodation in the Bowring Civil Hospital. The Government of India recognise that the extention of the hospital is a matter of great local importance and are desirous of giving assistance in the matter. A further communication on the subject will follow.

From COLONEL D. ROBERTSON, C. S. I., Resident in Mysore, to the Secretary to the Government of India, Foreign Department, dated 30th January 1899, No. 416.

I have the honor to acknowledge the receipt of your letter No. 745, I. A. dated 17th March 1898, regarding the financial affairs of the Municipality in the C. & M. Station of Bangalore. I did not at once reply to this letter as I was anxious to allow the Commission time in which to mature their plans for the imposition of an extended octroi, and pending the final settlement of this scheme, it seemed difficult to estimate with any pretence at accuracy what the financial effect would be. Proposals of an incomplete nature reached me in September 1898 necessitating further reference to the Commission, and I much regret that owing to the dilatory manner in which the proposals have been handled by them I am even now not in possession of their final proposals, though I understand that a special meeting has been convened for their discussion, and that I may expect shortly to receive them. In submitting the present report, I wish, under the circumstances explained, to make it clear that the estimate for a larger income from octroi than has hitherto been derived is nearly approximate.

2. With my letter No. 364, dated 27th January 1898, I forwarded what appeared to me fairly complete information regarding the position of the Municipality based upon the average of the past 3 years, understanding that what the Government of India mainly desired was to obtain clear evidence as to the effect upon the finances of the Commission consequent upon the proposed withdrawal of the contributions from Excise Revenues which have been enjoyed since 1872. I assumed, mistakenly as it now appears, that it was merely necessary to show that to deprive the Commission of what had come to be regarded as a certain and substantial portion of their income, would probably be to cripple their efficiency, the presumption *ab initio* being that they had not sufficient revenue independent of these registration and license fees.

3. The whole question has since been carefully examined, and I now proceed to discuss the following points:—

(*a*) The general financial position.

(*b*) The possibility of raising more revenue.

(*c*) The incidence of taxation, and believe I shall have no difficulty in showing that if the registration and license fees are withdrawn, equilibrium will barely be maintained, whilst, in its straitened circumstances the Municipality will have no power to carry out many urgently needed improvements and that if, additionally the local cess alluded to in para 3 of your letter is taken away, the Municipal corporation will speedily become insolvent.

4. As regards the general financial position, two statements marked respectively A & B are enclosed which shew the actuals of revenue and expenditure during the past 4 years, and also (vide statement B) the averages based on the same period eliminating those items on both sides of the account which are not expected to recur. To deal first with statement A. During the first 4 years, whilst the revenue has only increased by about Rs. 13,000, the expenditure has advanced from Rs. 2,23,997 to Rs. 3,09,544, or more than Rs. 85,000. It will be seen that the increases are confined to objects of obvious importance, *viz.*, public works account for about Rs. 17,000; education, 2,000; sanitation and medical services, 62,000. There has been no increased expenditure on schemes which could have been postponed or were not urgently required for the health and well-being of the station. Nor have there been any undesirable and unnecessary additions to salaries. The increase in the assessing and collecting establishment, were for special objects and obligatory. Disregarding the averages which are, under altered circumstances, likely to be misleading and looking merely to the figures on both sides for 1896-97 and 1897-98, we may assume that the revenue and expenditure both about Rs. 3,00,000, approximately balance each other. It is not, I consider, necessary to

refer to the cash reserve of the Municipality which at the time of my former report was Rs. 85,000. If the Commission is to be held liable for even half the expenditure on Plague up to the end of the current official year, this balance will disappear, whilst, under ordinary conditions, the amount would doubtless be utilized during the next year or two, and cannot in any case affect the normal receipts and expenditure.

5. Turning now to a consideration of how the account will stand when the changes now either ordered or in contemplation take affect. Statement B, gives the total receipts as Rs. 2,38,864 and the expenditure Rs. 2,90,229, a difference of Rs. 51,365. On the first page of the account, there are omitted (a) profession tax formerly payable by the Military, Rs. 2,500 and (b) registration and license fees about Rs. 43,500, or a total of Rs. 46,000. On the expenditure side in order to present as far as possible a normal statement, a deduction of Rs. 14,697 has been made from new works and Rs. 2,777 from other charges unlikely to recur.

6. It remains now to be seen what steps can be taken to increase the receipts up to the sum necessary to balance the expenditure, and it will be convenient first to consider exactly what sum is required to meet all charges :—

(1) The new water supply maintenance is expected to cost Rs. 65,000.

(2) The extension of octroi will require Rs 6,592 plus Rs. 2,400, if the proposal for part payment of the excise *cum* octroi superintendent (as suggested in my letter No. 140 dated 12th January 1899) is sanctioned.

(3) The enlargement of the Bowring Hospital will necessitate an increased establishment &c., costing Rs. 13,000.

If items (1), (2) & (3) just mentioned are added to the normal expenditure, the grand total will amount to Rs. 3,77,221.

I now revert to the provision of funds necessary to meet this expenditure.

(*a*) We shall realize 62,000 in the 6 per cent tax on houses, buildings and land instead of 51,298, or an increase of Rs. 10,702.

(*b*) Octroi may bring in 1,00,000 in lieu of 44,020, a gain of Rs. 55,980.

(*c*) Under section 42 of the Municipal law, 1897, a tax of 2 per cent for conservancy purposes will bring in about 20,000, of which Rs. 15,000 is already realized in another form—a net gain of Rs. 5,000.

(*d*) Under section 43, the Commission propose a water tax of 5 per cent to bring in Rs. 45,000. These proposals have not as yet reached me officially, but I understand that certain exemptions are contemplated and that they will consequently yield less than 5 per cent on the rateable annual value.

If we add items (a) (b), (c) and (d) on the receipts side to the total of Rs. 2,38,864, we arrive at a grand total of Rs. 3,55,546.

Rs.	2,38,864	
,,	10,702	(a)
,,	55,980	(b)
,,	5,000	(c)
,,	45,000	(d)
	3,55,546	

7. On this showing, the deficit is Rs. 21,675, caused mainly by the short yield of the water rate (Rs. 45,000) compared with the expenditure Rs. 65,000. As I have mentioned, the proposals of the Commission have not as yet reached me ; when they do, I shall certainly invite attention to the necessity for realizing enough by taxation to cover the expenditure on maintenance. Looking to the fact that no charge on account of interest for the capital expenditure involved in the water supply project devolves upon the Commission, they may reasonably be compelled, if necessary, to bear their full share of the cost of maintenance. Being for the most part house owners, their sense of public duty is probably obscured by a selfish regard to their pockets. Assuming that this expenditure is met in full by the Municipality, there will still be an excess of expenditure over receipts to the extent of Rs. 1,600

odd, but for the sake of argument I am prepared to accept both sides of the account as exactly balancing. It is obvious that such a position would be extremely unsatisfactory. We are taking a step in the dark as regards octroi, and if the yield is short of expectations, a deficit must inevitably result. It will further be seen that the provision for new works is very meagre and that a budget framed on such lines practically means stagnation in Public Works. This too to mention some of the prominent requirements when many parts of the bazaar are in a most insanitary condition, requiring a large and continuous expenditure, when the present system of drains is admittedly defective and when the Bowring Hospital demands extension and improvement at the earliest possible date.

8. A remedy can be found in one of two ways—either in reducing fixed expenditure or by increasing the income. Most of the expenditure has been so recently revised that I do not think any material reduction would be found possible. It is therefore only necessary for me to consider in what matter the income might be increased. It is obvious that this could only be accomplished by means of one of the taxes enumerated in sections 41, 42 or 43 of the Municipal Act. To take first section 41; following the order therein observed; (*a*) as regards a tax on buildings and lands, the total amount to be collected provided the water expenditure is fully met, will be 15% on the annual value, *e. g.* 6% the present house tax plus 2% for conservancy plus 7% for water. To take any more would occasion serious opposition from all classes of house owners; (*b*) we already tax professions; (*c*) a tax on vehicles &c. kept in the station has been vetoed as likely to produce very little in comparison with the cost of collection; (*d*) the same argument applies to a tax on vehicles etc, entering the station; (*e*) the present octroi is about to be extended. There remains (*f*) "any other tax." Taxes are either levied or proposed to be taken under section 42 and 43 of the Municipal Law. As regards (*f*) I am unable at present to propose any suitable tax in addition to those already taken. It would doubtless be an easy matter to invent a further impost of some sort, but this brings me at once to the capacity of the people to bear extra taxation and to the incidence per head of the population as it will stand when the proposals already discussed are brought into operation.

9. Mr. Slight has furnished a statement, copy enclosed, showing the incidence of taxation in 14 Municipal Towns, from which it would appear that the incidence in Bangalore is higher than in any one of the towns * named with the exception of Calcutta and Bombay. There are thus sufficient grounds for believing that the taxation in the C. and M. Station will, with the octroi and water-tax be sufficiently high. Apart from this it is well known that Bangalore is not a rich town. It does not contain the centre of any large industry, most of the lucrative trade is in the hands of a few prominent persons and the population is largely composed of camp followers and pensioners or their descendants, many of whom lead a more or less hand to mouth existence. Nor is there anything in Bangalore closely corresponding to the conditions obtaining at Ootacamund or in any of the Himalayan stations. The President of the Municipal Commission believes, and I agree with him, that the taxable limit has for the present at any rate, been reached in the C. and M. Station, not only for the reasons already stated, but also because a large number of the people have still to bear expenditure in order to enable them to conform to the recent Sanitary Regulations in connection with private drains, privies etc. Additionally it may be stated that the Plague has hit a number of poor people very hard and that their financial recovery must be slow.

*Bombay, Howrah, Poona, Madras, Agra, Cownpore, Delhi, Madura Lucknow, Bellary, Trichinopoly, Calicut, Salem and Bangalore.

10. In para 3 of your letter under acknowledgment details of the "Local Cess" on Arrack, Toddy and Ganja are asked for. It is shown under the heading of grants and contributions. In this connection I would invite reference to Foreign Department (Internal) letter No. 984 T., dated 23rd March 1886, in accordance with which the local cess was made over to the Municipality. The average yield for the past 4 years has been about Rs. 25,000. I do not think that the Municipal claim to this cess can be considered much stronger than the one to registration and license fees which has been disallowed. If, however, a further sum of Rs. 25,000 be deducted from Municipal income, the situation will be worse than I have endeavoured to depict it.

11. I hope the information supplied will now enable the Government of India to come to a final decision on the main point at issue, and to endorse the conclusions at which I have arrived that, if deprived of a considerable portion of their present

income, the Municipality will be unable to perform its functions efficiently, that otherwise than by means of an octroi there is no immediate prospect of an increased revenue and that the people are unable to bear any greater burden of taxation.

12. It would not be becoming were I to attempt to re-open the question of the desirability of permitting the Municipal Commission to retain the contributions they now receive from the excise revenues, but I may perhaps be allowed respectfully to urge that the assertion of the principle involved in the well known distinctions between imperial and local revenue is hardly necessary in the present case, seeing that the revenues derived from the tract assigned to the British Government for administrative purposes are not strictly imperial; for the Government of India has expressly disclaimed any intention of deriving advantage therefrom and has moreover agreed that they shall be expended for the benefit of the tract in which they are raised. If, however Government feel that an adherence to the decisions already arrived at is imparative, I would venture to suggest that the Municipality be allowed to retain the local cess and that, in return for the registration and license fees which they surrender, they be relieved of the charge of the Bowring Hospital, involving a yearly expenditure of about 40,000, with a further liability for extending the premises of about 50,000 of which the Government has already paid Rs. 20,000. This suggestion not only presents a fairly satisfactory compromise, but it also takes into account the condition imposed by para 5 of Foreign Department letter No. 1102 I., dated 3rd May 1883 under which " the maintenance of the Hospital in a satisfactory state by the Municipality be considered to be a condition of the continued surrender to the Commission of the license fees." Moreover, it would be decidedly advantageous if only as a means of securing professional inspection, to bring this Hospital directly under Government control. The idea that local self Government would be promoted in any way by making over the Bowring Hospital to the Municipality has been entirely dissipated by the practical results of this transfer. The Residency Surgeon enjoys an entirely unsupervised independence, and any attempt on the part of the Municipality to exercise their right of overlooking his proceedings is keenly resented and opposed. This position in view of the fact that the management of the Hospital appears to be susceptible of improvement cannot be regarded as entirely satisfactory.

Statement of work referred to in Statement B against item of expenditure "New Works" in column of remarks.

Names of works executed.	Cost.		
	Rs.	A.	P.
Total for 3 years 1894-95, 1895-96, 1896-97 & 1897-98	48,803	12	2
Constructing road from Borebank road to Tannery road	813	13	4
Dismantling and reconstructing the compound wall of bandy stand on Sultanjee Guntah road	237	13	4
Additions to cow shed	560	10	10
Isolation Hospital attached to B. C. Hospital	1,119	7	4
Erection of compound wall around the proposed Hospital for women and children	958	15	10
Constructing partition wall for Isolation Hospital wards	283	8	1
Proportionate share of cost of maintenance of temporary water supply ...	6,008	9	8
Total for 4 years...	58,786	10	7
Average for 1 year...	14,696	10	8

Statement of charges referred to in Statement B against item of expenditure "other charges" in column of remarks.

Particulars.	Cost.		
	Rs.	A.	P.
Total for 3 years 1894-95, 1895-96, 1896-97 & 1897-98	9,120	5	0
Charges on account of Diamond Jubilee	1,987	0	0
Total for 4 years...	11,107	5	0
Average for 1 year...	2,776	13	3

Statement showing the population and the annual income of several Municipalities together with incidence of taxation per head of population, referred to in letter No. 616 dated 26th April 1898 to 1st Assistant Resident.

1	2	3	Description of Tax.				8	9	
No.	Name of Municipality.	Population.	4 Town duties or octroi.	5 House Lighting and water rates.	6 Profession tax.	7 Miscellaneous taxes.	Total income.	Incidence of taxation per head of population.	Remarks.
1	Bombay	8,21,764	6,45,144 0 0	39,41,862 0 0	... ...	2,46,681 0 0	48,33,687 0 0	5 14 1	In this statement all Government grants &c. have been included and direct Municipal taxation only taken into consideration,
2	Howrah	1,16,606	... ...	2,28,991 0 0	3,662 0 0	1,08,352 0 0	3,41,005 0 0	2 14 9	
3	Poona	1,18,790	1,43,477 0 0	54,960 0 0	769 0 0	42,219 0 0	2,41,425 0 0	2 0 6	
4	Madras	4,52,518	... ...	6,98,654 0 0	69,992 0 0	1,11,693 0 0	8,80,339 0 0	1 15 1	
5	Agra	1,68,662	2,22,933 0 0	40,256 0 0	... ...	28,056 0 0	2,91,295 0 0	1 11 7	
6	Cawnpore	1,63,779	16,196 0 0	... ...	67,642 0 0	1,87,881 0 0	2,71,719 0 0	1 10 6	
7	Delhi	1,90,065	2,60,402 0 0	... ...	... ...	9,167 0 0	2,69,569 0 0	1 6 8	
8	Madura	87,428	... .	72,226 0 0	14,023 0 0	30,013 0 0	1,16,262 0 0	*1 5 3	
9	Lucknow	2,67,910	2,78,980 0 0	4,252 0 0	... ...	10,845 0 0	2,94,077 0 0	1 1 6	
10	Bellary	59,467	... ...	27,818 0 0	9,714 0 0	16,246 0 0	53,778 0 0	*0 14 6	
11	Trichinopoly	90,609	... ...	37,806 0 0	12,097 0 0	22,556 0 0	72,459 0 0	*0 12 10	
12	Calicut	66,078	... ...	32,811 0 0	8,236 0 0	8,089 0 0	49,136 0 0	*0 11 11	
13	Salem	67,710	... ...	20,576 0 0	11,618 0 0	15,380 0 0	47,574 0 0	*0 11 3	
	1897—98. ...	1,00,081	39,192 0 0	65,615 0 0	11,271 0 0	46,175 0 0	1,62,253 0 0	1 9 11	
14	C. & M. Station Bangalore. { As proposed in note by the President.	1,00,081	1,00,000 0 0	1,47,000 0 0	9,607 0 0	34,000 0 0	2,90,607 0 0	2 14 5	

Extract from Proceedings of Government of Madras Nos. 2858-2859 M dated 31st December 1897.

BANGALORE,
26th April 1898

(Signed) A. M. SLIGHT,
President, Municipal Commission,
Civil and Military Station, Bangalore.

Revised Statement A.—Showing actual receipts under various heads for four years ending 31st March 1898 and the average annual amounts thereof.

HEADS OF RECEIPTS.	Actuals for 1894-95.	Actuals for 1895-96.	Actuals for 1896-97.	Actuals for 1897-98.	Average for 4 years ending 31st March 1898.
Rates and Taxes.					
Tax on professions and trades ...	15,835	7,699	13,622	11,271	12,107
Tax on houses, buildings and lands ...	48,916	52,506	51,974	52,878	51,568
Lighting tax	11,896	12,664	12,528	12,787	12,456
Town duties	47,130	45,958	43,799	39,192	44,020
Revenue derived from Municipal property &c.					
Rent of lands and buildings	10,807	10,585	11,045	10,920	10,839
Sale proceeds of land	7,921	...	...	...	1,980
Fees	30,777	31,773	34,899	34,954	33,100
Produce of lands	964	1,127	1,237	1,132	1,115
Sale of old materials and wood ...	228	684	867	208	497
Miscellaneous license and Registration fees.					
Fixed registration fees	13,529	13,014	13,249	14,069	13,465
License fees on excess sale of beer and arrack	28,736	31,237	31,064	27,270	29,577
Other miscellaneous	7,065	7,100	6,264	5,917	6,586
Conservancy receipts	6,025	9,295	20,657	29,430	16,352
Process fees	741	1,627	1,613	1,746	1,432
Fines...	2,142	1,485	1,623	1,588	1,709
Interest on fixed deposit	200	194	674	2,736	951
Grants and Contributions.					
Government	45,540	44,609	46,939	42,964	45,013
Pensionary contributions	2,171	1,733	2,372	2,403	2,170
Miscellaneous.					
Quarry licenses	72	72	53	72	67
Fees under hackney carriage rules ...	3,427	3,407	3,268	3,065	3,292
Cattle pound fees...	1,777	1,656	2,120	1,731	1,821
Sale of copies of Municipal Regulations and Bye-laws	17	1	...	53	18
School fees	41	65	54	56	54
Town duty miscellaneous receipts ...	96	46	26	41	52
Refund from expenditure prveious years...	69	3	229	1,634	484
Extraordinary	133	745	2,686	1,396	1,240
Total...	2,86,255	2,79,285	3,02,862	2,99,463	2,91,966

Revised Statement A.—Showing actual expenditure under various heads for four years ending 31st March 1898 and the average annual amounts thereof.

HEADS OF EXPENDITURE.	Actuals for 1894-95.	Actuals for 1895-96.	Actuals for 1896-97.	Actuals for 1897-98.	Average for 4 years ending 31st March 1898.
Public Works.					
New works	18,611	28,184	42,416	29,207	29,604
Repairs	41,478	42,498	55,242	48,678	46,974
Establishment	11,159	4,007	10,212	10,248	8,906
Tools and plant	570	726	454	486	559
Miscellaneous	373	296	455	181	326
Education.					
Grants-in-aid to primary schools ...	7,444	7,726	8,528	9,682	8,345
Building grants	...	...	235	169	101
Sanitation and Medical Services.					
Hospitals and Dispensaries ...	26,484	27,659	28,989	31,564	28,674
Vaccination	2,289	2,708	3,128	3,899	3,006
Registration of births and deaths ...	719	1,193	1,333	1,076	1,080
Conservancy	41,224	51,676	70,097	87,709	62,677
Cholera and other charges	...	2,867	2,706	8,735	3,577
Deputation of Surgeon-Major Ross ...	...	...	10,924	...	2,731
Laboratory	...	...	486	198	171
Miscellaneous.					
Lighting	15,220	12,287	15,390	17,303	15,050
Markets	2,266	3,542	2,225	2,481	3,742
Slaughter houses	1,180		1,642	1,631	
Maintenance of avenues	306	557	417	480	440
Public Parks	2,054	1,633	1,941	1,959	1,897
Pounds	1,490	1,484	1,481	1,490	1,486
Hackney carriages	2,258	2,287	2,296	2,474	2,329
Prosecution charges	1,502	1,806	1,611	1,806	1,681
Fire engines	...	20	18	294	83
Other charges	10,908	11,790	3,309	6,004	8,003
Charitable grants...	3,985	4,160	4,793	5,410	4,587
Acquisition of lands	3,000	520	155	520	1,049
Supervision and Management.					
Salaries of officers	3,600	7,215	3,600	3,600	4,504
Head office	8,081	6,691	8,582	7,636	7,747
Assessment and Collection ...	6,899	8,921	13,186	11,873	10,220
Town duties	10,811	11,316	11,831	11,649	11,402
Pensions and Gratuities	86	1,660	959	1,102	952
Total...	2,23,997	2,45,431	3,08,641	3,09,544	2,71,903

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Revised Statement B.—Showing average annual receipts with explanation to account for differences between amounts shown herein and amounts shown as averages in Statement A.

HEAD OF RECEIPTS.	Average receipts for 4 years ending 31st March 1898 after deducting abnormal receipts, &c.	Remarks accounting for difference between this statement and statement A.
Rates and Taxes.		
Tax on professions and trades ...	9,607	—Rs. 2,500, Military profession-tax.
Tax on houses, buildings and lands ...	51,298	—Rs. 270, Government buildings.
Lighting-tax	...	Do.
Town duties	44,020	But not leviable under Municipal Law included in the 6 per cent, now taken as house property instead of 5 per cent.
Revenue derived from Municipal property &c.		
Rent of lands and buildings ...	10,839	
Sale proceeds of land	...	—Rs. 1,980, there being no lands for sale.
Fees (slaughter house, market, bandy stand and firewood and cattle stand)...	33,101	
Produce of lands	1,115	
Sale of old materials and tools ...	497	
Miscellaneous License & Registration fees.		
Fixed registration fees	...	Omitted, not leviable under Municipal Law 1897.
License fees on excess sales of beer and arrack	...	
Other miscellaneous fees	6,586	
Conservancy receipts	25,044	The average of 2 years, 1896-97 and 1897-98 has been adopted.
Process fees	1,432	
Fines	1,709	
Interest on fixed deposit	...	Omitted, the deposits having been brought to current account.
Grants and Contributions.		
Government	45,013	
Pensionary contributions	2,170	
Miscellaneous.		
Quarry licenses	67	
Fees under Hackney carriage rules ...	3,292	
Cattle pound fees	1,821	
Sale of copies of Municipal Regulations Bye-laws	18	
School fees	54	
Town duty miscellaneous receipts ...	52	
Refund from expenditure previous year.	484	
Extraordinary	645	—Rs. 2,379-0-0. Made up of Rs. 1,929 as per previous statement B plus Rs. 450, received from Miss Mullins. *Vide* statement attached to Resident's letter No. 364, dated 27th January 1898.
Total...	2,38,864	

Revised Statement B.—Showing average annual expenditure with explanation to account for differences between amounts shown herein and amounts shown as averages in statement A.

HEADS OF EXPENDITURE.	Average expenditure for 4 years ending 31st March 1898 after deducting abnormal expenditure &c.	Remarks accounting for difference between this statement and statement A.
Public Works.		
New works	14,907	—Rs. 14,697 on account of works as per statement attached.
Repairs	46,974	
Establishment	10,508	Being present sanctioned establishment.
Tools and Plant	559	
Miscellaneous	326	
Education.		
Grant-in-aid to Primary schools ...	10,500	Being present sanctioned charges.
Building grants...	101	
Sanitation and Medical Services.		
Hospitals and Dispensaries	30,915	Being present sanctioned charges.
Medical { Vaccination / Registration of births & deaths.	5,631	Do.
Conservancy	88,367	Do.
Tank conservancy	1,594	Do.
Cholera and other charges	3,577	
Laboratory	...	Included under Medical.
Miscellaneous.		
Lighting	15,050	
Markets and Slaughter houses ...	3,742	
Maintenance of avenues	440	
Public Parks	1,897	
Pounds	1,486	
Hackney carriages	2,329	
Prosecution	1,681	
Fire Engines	600	
Other charges	5,226	—Rs. 2,777 on account of charges as per statement attached.
Charitable grants	4,860	Being present sanctioned charges.
Acquisition of lands	1,049	
Supervision and Management.		
Salaries of officers	3,600	} Being present sanctioned charges.
Head office	8,494	
Assessment and collection	12,228	
Town duties	12,408	
Pensions and Gratuities.		
Pensions and Gratuities.	1,180	
Total...	2,90,229	

No. 2642, dated Bangalore, the 17th June 1899.

From—Lieut.-Col. Donald Robertson. C. S. I.. Resident in Mysore.

To—The Secretary to the Government of India, Foreign Department.

I have the honour to invite your attention to my letter No. 416, dated 30th January 1899, in which I discussed the financial position of the Municipality of the Civil and Military Station of Bangalore.

2. In paragraph 6 of the letter in question, I showed that the normal annual expenditure of the Municipality might be estimated at Rs. 3,77,221 and the normal annual income at Rs. 3,55,546, but said that I hoped to induce the Municipal Commission by increasing the proposed water-tax to raise their income to an equilibrium with their expenditure. Since the date of this calculation, however, certain alterations have been made on both the expenditure and receipt sides of the budget which considerably affect the financial position of the Municipality. On the expenditure side the Government of India have in your telegram No. 1110 I—A., dated 29th April 1899 taken over the whole of the Bowring Hospital charges amounting to about Rs. 40,000 per annum, on the other hand the Municipality have to meet the additional charge of about Rs. 12,000 for interest on the loan of one lac which they have recently taken from Government. The total normal expenditure has therefore decreased by Rs. 28,000 and may be put at Rs. 3,49,221.

On the receipts side the Municipality has now parted with the sum of Rs. 25,000 per annum on account of local cess, which according to your telegram No. 1431 I—A., dated 31st May 1899, must henceforth be credited to government; on the other hand the Municipality have agreed to impose a water-tax of 6 per cent. The proposals in regard to this have been published and after objections have been heard will be submitted in due course to the Governor-General in Council for sanction. It is hoped that this tax will bring in the whole of the Rs. 65,000 required for the maintenance of the water works, giving an increase of Rs. 28,000 per annum over the sum previously anticipated. The net decrease in receipts will therefore be Rs. 5,000 and the total normal receipts may be put at Rs. 3,50,546. In a normal year therefore the purely obligatory expenditure and receipts of the Municipality would almost exactly balance.

3. In the above calculations it was assumed that octroi duties, including certain additions to the present schedule which were then still under the consideration of the Municipality, would produce a sum of about one lac per annum. The Municipality have now proposed the imposition of these new duties; and the proposal is awaiting my sanction. The octroi schedule as it now will stand, if the proposals of the Municipality be sanctioned, is shown in appendix A to this letter. Before, however, my sanction was conveyed to these proposals, the resolution of the Government of India in the Home Department No. 55—60, dated 24th April 1899, dealing with the taxation of articles liable to sea customs duties, was forwarded with the letter of the Home Department No. 77, dated 17th May 1899, for my information; I have accordingly deferred further action in the case until I could ascertain how we should stand in the event of its being necessary to vary the existing proposals.

4. It is not clear whether the resolution above quoted is intended to apply to the Civil and Military Station of Bangalore, and I would ask for explicit instructions on this point. It will be noticed that not only are all the articles dealt with in the new proposals affected by the resolution; but also that it embraces all the articles in the old schedule, with the exception of betel-nut. Further, that certain articles in the schedule are taxed not ad valorem but quantitatively, whereas the Government of India resolution deals with ad valorem rates only. In the case of these articles, however, I have had the ad valorem rates roughly calculated; and I have shown in appendix B the financial results which will follow if it is decided that the resolution in question must be held to apply strictly to the Civil and Military Station. The total annual decrease in the yield of octroi will according to this statement be Rs. 46,019.

5. If then the provisions of the resoluion in question are enforced, it will be necessary for the Municipality to again consider their position and the possibility of either imposing fresh taxation or diminishing expenditure. Though for the latter I am afraid there is little or no scope. I have already addressed them on this subject, in order that as little time as possible may be lost should the Government of India decide that the octroi rates must be revised. I have no doubt that it will be possible by extending taxation so as to include various staples of consumption which are now untaxed to eventually make up the deficit. But such a change in taxation besides materially increasing the number of commodities to be taxed, which is against the policy of government will necessitate much discussion and possibly dissension within the Municipality itself, and also long negotiations with the Mysore Durbar, since the peculiar situation of the Civil and Military Station makes it necessary that there shall be uniform taxation in the Station and in the native city. Should it therefore be decided that the resolution in question is binding on the Civil and Military Station, I fear that it will be impossible, looking to the requirements of the Municipal Law, to extend the octroi before the end of the present financial year. In the current year's budget it was calculated before Government of India's resolution had been received that the proposals for taxation now awaiting my sanction would be in force during 7 months of the current year and would produce Rs. 35,580. If it is not possible to sanction these proposals, the Municipality will be placed in a position of great difficulty for the present year and will be confronted with a large deficit which it will have no means whatever of supplying. I trust therefore that it will be found possible to allow the present proposals to be sanctioned.

6. In this connection I would invite a reference to paragraph 3 of Mr. Girdlestone's letter to the Secretary to the Government of India, Foreign Department, No. 1238—213, dated 12th May 1885, on the subject of the transfer of the local cess on the excise revenue to the Municipality. It was then stated for the information of the Government of India, that the transfer had been made "partly in consideration of the Commissioners undertaking the charge of primary education within the Station." In their letter No. 984 I., dated the 23rd March 1886, the Government of India sanctioned this transfer as recommended by Mr. Girdlestone. It has now been represented by the Municipal board that since the local cess on excise has been resumed by government, they should in fairness accept the charge on account of primary education, which was under taken originally by the Municipality in consideration of their receiving the cess in question. The charge on account of primary education is now Rs. 10,400 per annum, and its assumption by government would be a considerable relief to the Municipality. I would recommend this proposal to the consideration of government as one step however inadequate towards relieving the present financial straits in which the Commissioners now find themselves.

7. In conclusion I would venture briefly and very deferentially to summarize the position as follows. In Bangalore it is absolutely necessary in the interests primarily of its important garrison and secondarily by virtue of our exceptional position here, that the place be efficiently conserved and decently administered. Unfortunately as it appears to me, an artificial arrangement in the shape of a Municipality, which is not now and probably never will be anything more than a pretence at local self government exists, and the separation of local and quasi Imperial interests which this creation entails must tend to block all progress; not to mention our requirements in regard to Public offices, which are perhaps removed from the category of purely local objects of expenditure and various other works which may fairly be called urgent. There are two pressing schemes one for drainage, which though ready is only laid aside for want of funds, and another for relieving the disastrous congestion in the main bazaar, which when completed will probably be found to be very costly. Under ordinary circumstances these are projects which should be undertaken by the Municipality, but that body which has already borrowed one lac without which it must have been declared bankrupt, is now, mainly owing to plague, so crippled that it will probably not be in a position for some considerable time; even if plague does not appear, to do more than meet ordinary establishment charges leaving original works out of its programme altogether—even

had plague not visited the Station the margin between income and obligatory expenditure was so small that no large public works could be undertaken. Unless there is soon some amelioration, which I do not anticipate, in the condition of affairs, it may be desirable to set aside the Municipal administration and constitute a Station Committee for the management of all revenue realized within the Civil and Military Station, as well as the control of expenditure, under the Presidency of the Resident, which would deal with all local matters after the fashion of a Cantonment Committee. The question is one I admit which would require consideration and probably much elaboration of details; but the disestablishment of the Municipality and the assumption by government of direct responsibility for management, would seem to present a solution of what may possibly prove to be an increasing difficulty; and, regarding the administration of the Assigned Tract as a whole, I believe that the change would tend towards economy.

Appendix A.

Name of article.	Octroi rate.	Ad valorem rate.	Rate allowed by resolution.
	(1) *Schedule now in force.*		
Dry cocoanuts... ...	8 annas per maund of 24 lbs.	16 10 8% ...	1 9 0%
Green do ...	Rs. 5 per 1,000 ...	17 13 9% ...	1 9 0%
Betel leaves	2 pies per 100 ...	53 1 4% ...	Not affected by terms of resolution.
Tobacco	Rs. 3 per maund of 24 lbs.	23 0 7% ...	3 2 0% This present ad valorem rate is an average taken on all kinds of tobacco.
	(2) *Additional articles which it is now proposed to tax.*		
Timber	Varying according to kinds from Rs. 4 to Re. 1 per ton of 50 cft.	Average for all kinds Rs. 2—11—0%.	3 2 0%
Tiles	1 8 0 per 1,000 ...	2 5 0% ...	1 9 0%
Piece goods	2%	2%	1 9 0%

Appendix B.

Name of article.	Estimated receipts at present rates.	Estimated receipts at rates laid down in resolution.	Decrease.
Dry cocoanuts	600	56	544
Green do	7,000	612	6,388
Betel leaves	5,500	5,500	...
Tobacco	26,000	3,125	22,875
Kerosine oil	9 000	...	9,000
Piece goods	30,000	23,438	6,562
Timber	20,000	20,000	...
Tiles	2,000	1,350	650
Total.....	1,00,100	54,081	46,019

No. 5270, dated Bangalore, the 24th November 1899.

From—J. A. Crawford, Esq., Officiating Resident in Mysore,

To—The Secretary to the Government of India, Foreign Department,

I have the honour to reply to your letter No. 2233 I. A., dated the 7th August 1899, regarding the financial position of the municipality of the Civil and Military Station of Bangalore.

2. I enclose, as requested, a copy of the budget estimates of the municipality for the current year. These estimates have been the subject of much discussion and correspondence; and it has only recently been possible to put them into final shape, owing to various circumstances which have arisen to affect both the receipts and the expenditure sides of the budget, and to the reluctance shown by the municipality to impose the additional taxation required. Copies of the marginally noted *correspondence, which deals with this subject, are enclosed for the information of the Government of India.

*Note by the Resident on the Municipal Budget proposals dated the 27th April 1899.
Letter from the President Municipal Commission, No. 1271, dated the 23rd May 1899.
Letter from the First Assistant Resident, No. 2539, dated the 10th June 1899.
Letter from the First Assistant Resident, No. 3669, dated the 19th August 1899.
Letter from the President, Municipal Commission, No. 3877, dated the 2nd September 1899.
Letter from the First Assistant Resident, No. 4203, dated the 20th September 1899.
Letter No. 5238, dated the 27th October 1899, from the President, Municipal Commission.
Letter from First Assistant Resident, No. 4890, dated the 2nd November 1899.

3. It will be seen that the estimated excess of expenditure over receipts for the current year amounts after prolonged scrutiny to Rs. 43,600 in round figures. If the Government of India decide to assume this year the charges on account of primary education, this deficit will be reduced to Rs. 33,200; and if the octroi on sugar and certain grains recently sanctioned by me is imposed without delay, a further reduction of about Rs. 1,000 may be effected. The deficit for the current year cannot be less than about Rs. 32,000, and it would amount to Rs. 1,32,000, but for the loan of one lakh of rupees granted by the Government of India.

4. The causes which have led to this situation may be briefly summarized. The abnormal expenditure on plague preventive measures last year forced the municipality to withhold payments for various public works in progress until the current year, during which about Rs. 14,000 in excess of the average will be spent on this account. The charges for the maintenance of the water-works will be Rs. 64,650, and the municipal share of the plague charges about Rs. 25,000. The charges on account of conservancy cattle have been increased by Rs. 17,000, in consequence of the breakdown of the contract system during the plague epidemic of last year. In the interests of efficiency the expenses of the octroi establishment have been increased by about Rs. 2,500; and the interest on the Government loan for half a year will be Rs. 6,115. These abnormal items of expenditure amount to about Rs. 1,29,200. Against this must be set the fact that the Government of India have relieved the municipality of a charge of Rs. 29,000 by assuming the management of the Bowring Civil Hospital; so that the net excess of expenditure over that of former years may be roughly put at one lakh. On the receipt side the withdrawal of the license and registration fees and of the cess on abkari and land revenue has deprived the municipality of an income of Rs. 66,700; and the expenditure on account of plague during the past year swept away the fixed reserve of Rs. 16,000, and has left the municipality with a total opening balance of only Rs. 24,113, as compared with Rs. 1,25,691 which was the opening balance for the year 1898-99. Additional taxation has been imposed which is expected to produce about Rs. 33,700 during the current year.

5. The present difficulties of the municipality are chiefly due to their failure to recognise early in the year the necessity for imposing taxation sufficient to meet their liabilities. The water-tax and other taxes which have recently been imposed, will consequently not be in force for more than a quarter of the

year. But in respect of future years the taxation now imposed by the municipality will, so far as can be seen, be ample for all requirements. I enclose two statements which set forth as accurately as possible the probable normal financial situation in future years. In statement A it is shown that the normal excess of receipts over expenditure is estimated to be about Rs. 25,000, or Rs. 35,000, if the Government of India decide to assume the charges on account of primary education. This statement does not include any charge on account of plague measures. If plague revives next year, the estimated surplus will probably be swallowed up, and the receipts and expenditure will about balance. It must be remembered that this calculation is based on estimates, professedly vague, of receipts from new taxes; and it will be impossible to say how far they are accurate until the end of next year. On the other hand considerable reductions in expenditure, in addition to those shown in statement A, may be found possible. A sub-committee of the municipal board has been for some time engaged in examining this question; but their proposals have not yet reached me officially. Statement B shows the additional taxation imposed by the municipality during the current year, which is estimated to produce a yearly sum of Rs. 1,54,800. This constitutes an addition to taxation of more than Rs. 1—8—0 a head.

6. I trust that the figures and facts set forth above will satisfy the Government of India that the Municipal Commissioners now realise the necessities of the situation, and are not disposed to evade their responsibilities. For the present year, however, they are confronted with an inevitable deficit of Rs. 43,600, and it is possible that the new taxation imposed may not produce as much as is anticipated during the last quarter of the year. It will be safer therefore to estimate the deficit at Rs. 50,000. In these circumstances I venture to repeat the recommendation made by Colonel Robertson in paragraph 6 of his letter No. 2642, dated the 17th June 1899, that the Government of India should assume the charges on account of primary education.

7. If this recommendation is accepted there remains a possible deficit of Rs. 39,600. The Municipal Commission have resolved at a special meeting held on the 26th August 1899, that the Government of India should be asked for an additional loan of Rs. 50,000 on the usual terms, or for permission to raise the loan in the open market. Owing to the taxation imposed since the date of this resolution, it would appear that a loan for so large an amount is not now required; but I beg to recommend that a loan of Rs. 40,000 may now be granted by the Government of India. If the forecast I have attempted of the future financial situation is justified, it should be possible to repay the whole of such a loan within two years. In this connection I would invite attention to paragraph three of the Foreign Department letter No. 2231 I A, dated the 12th June 1897, in which the Government of India were pleased to intimate that they would be prepared to grant the Municipal Commission concurrently with the abolition of the municipal tax upon places where spirituous liquors are sold such subvention from the general revenues of the Assigned Tract as they might from time to time consider advisable on an examination of the municipal finances.

STATEMENT A.

Probable additional receipts in normal year.

PART II.				
(4)	Water tax	...	48,750.	Imposed this year for ¼ year only.
(6)	(e) Piece goods. (f) Mangalore tiles. (g) Timber.		33,600	Do
6	(h) Tax on vehicles. (i) Toll on vehicles.		18,750.	Do
	Octroi on sugar. Octroi on various grains.		20,000.	Sanctioned by Resident; not yet imposed.

Total probable additional receipts in normal year ...1,21,100.

PART V (9)

Deduct amount of loan which was an extraordinary item of receipt ...1,00,000

Net additional receipts in normal year. 21,150.

Probable decrease of expenditure in normal year.

Grant I. 1 (b)	New buildings ...	18,700	This represents unexpended balance of grant made by Government last year for Bowring Hospital.
Grant I. 2 (a)	Repairs to communications	10,000	
Grant III. 4	Cholera and other charges	24,600	Estimated municipal share of plague expenditure this year.
Total probable decrease of expenditure in normal year		53,300.	

Probable increase of expenditure in normal year.

Grant V. 4	Pay of Superintendent of excise.	1,050	Entertained for 5 months only this year.
	Extra establishment for octroi...	4,900	To be entertained for 3 months of this year only.
Grant VII.	Repayment of loan ...	6,115	Repayment will be made for only 6 months this year.
Total probable increase of expenditure in normal year ...		...12,065.	
Net probable decrease of expenditure in normal year ...		*41,235.	

Grand total of receipts for 1899—1900 inclusive of opening balance		3,83,758
Add net additional receipts in normal year		21,150.
Total estimated normal receipts in future years		4,04,908.
Grand total of expenditure for 1899—1900		4,21,168.
Deduct net probable decrease in expenditure in normal year ...		41,235.
Total estimated normal expenditure in future years... ...		3,79,933.
Normal estimated excess of receipts over expenditure in future years		†24,975.

*Note.—If the Government of India decides to assume the charges on account of primary education this figure will be increased to Rs. 51,635.

†*Note.*—If the Government of India decides to assume the charges on account of primary education this figure will be increased to Rs. 35,375.

STATEMENT B.

Additional taxation imposed this year.

Water tax estimated to produce	65,000	per annum
Octroi on piece goods, Mangalore tiles, and timber, estimated to produce	44,800	„
Tax on vehicles Toll on vehicles } Estimated to produce	25,000	„
Octroi on sugar Octroi on certain grains } Estimated to produce	20,000	„
Total additional taxation imposed this year	1,54,800	„
Population of Municipality at last census	1,00,081	„
Increase of taxation per head this year	1 8 9	
Total rate of taxation per head as it will now stand ...	3 3 0	

"Note by the Resident in Mysore on the Municipal Budget proposals, and the financial position of the Municipality."

———:o:———

The budget estimates of receipts and expenditure for the year 1899—1900, which contain also the actuals for 1897-98 and the sanctioned, and revised estimates for the past year, were submitted by the President, Municipal Commission, with his letter No. 11,508, dated the 18th, 20th March 1899 together with a memorandum explanatory of the figures contained therein.

2. The following tables gives the actual receipts and expenditure during 1897-1898, the receipts and expenditure during 1898-99 as originally estimated, and as subsequently revised, and the receipts and expenditure during the current year as estimated by the Municipality.

Period.	Opening balance	Receipts.	Expenditure.	Closing balance.
	Rs.	Rs.	Rs.	Rs.
Actuals 1897—98 ..	1,35,319 ..	2,99,463 ..	3,09,544 ..	1,25,691
Estimates 1898—99 ..	1,25,691 ..	3,28,996 ..	3,57,148 ..	97,539
Do (as revised ..	1,25,691 ..	3,54,366 ..	5,54,524 ..	6,265
Estimates 1899—1900.	*—68,202* ..	3,57,845 ..	4,52,241 ..	*—1,62,598*

3. It will be seen that, whereas it was originally estimated that the year 1898-1899 would close with a credit balance of Rs. 97,539, according to the revised estimates there was not only no credit balance but the Municipality were in debt to the extent of Rs. 68,202 in consequence of expenditure having exceeded that originally estimated by nearly 2 lakhs of rupees. The revised estimates for the past year were, however, calculated on the assumption that the Municipality were to bear two-thirds of the expenditure in connection with the plague as ordered by the Government of India. Subsequent to the submission of this budget these orders were modified and according to Foreign Department telegram No. 833 I. A. of the 31st March, the Municipality are to bear only one quarter of plague expenditure. This decision necessitates an alteration in the figures relating to the revised estimates and will render the financial position of the Municipality less hopeless than it appears from the table in the preceding paragraph.

4. Turning now to the revised estimates (as entered in column 4 of the budget under reference) and dealing first with receipts, it is noticed that they are put down at Rs. 3,54,366, or some Rs. 25,000 more than originally estimated but this is entirely due to the entry of Rs. 71,300 under Part IV, I (h) "contribution on account of plague expenditure." As a matter of fact the estimated receipts *as revised* are short of those originally expected under every Part. For example under Part II there was a falling off of Rs. 22,480, *viz.*, Rs. 8,650 in the tax on tobacco, betel-leaves, etc., Rs. 5,800 in house tax, Rs 5,000 in conservancy tax and Rs. 3,200 in profession tax —Under Part III there was a falling off of Rs. 21,155, *viz.*, Rs. 15,000 in sale of manure, Rs. 3,500 in liquor license fees, Rs. 2,000 in slaughter house fees, Rs. 1,000 in registration fees. Under Part IV, eliminating the entry "contribution on account of plague expenditure" there was a falling off of about Rs. 1,000 due to smaller yield from the Local Cess, while under Part V there was a falling off of Rs. 1,600. In fine, the estimated receipts as revised are short of those as originally sanctioned by about Rs. 45,000, the falling off was due to the outbreak of plague in the Station and its effect on the trade of the place. It is only by adding to the receipts the sum of Rs. 71,300 already referred to as representing one-third of the plague expenditure during the past year, that the total receipts as revised are shown to exceed those originally estimated by Rs. 25,370. There seems no necessity to alter any item on the receipts side under revised estimates for 1898-99 except that relating to plague expenditure. This sum (Rs. 71,300) should be eliminated altogether, and on the expenditure side, at page 13 of the Budget column 4 under "cholera and other charges," should be entered the exact sum spent by the Municipality out of its own funds. The effect of this will be to reduce the estimated receipts for 1898-99 as revised, from Rs. 3,54,366 to Rs. 2,83,066.

5. Dealing next with the revised estimates of expenditure for the past year, it is seen that they are put down at Rs. 5,54,524 or nearly 2 lakhs in excess of that originally sanctioned. The increase occurs mainly under Grant III—Sanitation and Medical Services. This Grant, as originally sanctioned, was Rs. 1,55,146 and as revised comes to Rs. 3,50,954, or a difference of Rs. 1,95,808. The figure is capable of reduction, for, under "Cholera and other charges" (in which is included plague expenditure) the Municipality have entered the entire sum spent on plague preventive and repressive measures during the year out of Imperial as well as Municipal Funds. This is unnecessary, even though the Municipality credit themselves, as already remarked, with Rs. 71,300, being one third of plague expenditure since the commencement of operations. In lieu of the figure Rs. 2,03,500 under "Cholera and other charges" should be entered the exact sum spent by the Municipality out of their own funds on this account, it is believed that the sum amounts to about Rs. 96,800: if this is correct the expenditure according to the revised estimates should be Rs. 4,47,824.

6. The receipts have been put at Rs. 2,83,066, if to this be added the opening balance on the 1st April 1898, *viz.*, Rs. 1,25,691, a grand total of Rs. 4,08,757 is reached. Against this set the expenditure as entered at the end of the preceding paragraph, *viz.*, Rs. 4,47,824 and we find a deficit of Rs. 39,067, or deducting the "endowments" deposit of Rs. 6,265 which the Municipality have left untouched, an actual deficit of Rs. 32,802 on the 31st March 1899. This figure is of course merely an approximate estimate, it may be found to be more or less, when the accounts for the year are made up, according as the revised estimates turn out to have been over or under estimated. That there must be a deficit is quite certain—on the other hand, assuming the figure Rs. 96,800 quoted above, as the total sum spent during the year by the Municipality from its own funds on plague, to be correct, it must be remembered that such sum represents more than $\frac{1}{4}$ of the total plague expenditure for the year for which the Municipality are liable. The Government of India have, as already remarked, agreed to bear $\frac{3}{4}$ of the plague expenditure up to the 31st March 1899 and a similar proportion thereafter, leaving the Municipality to find the balance. Now the total expenditure on plague up to the 31st March 1899 is believed to have been about Rs. 2,64,973, and the Municipality's $\frac{1}{4}$ share of this comes to about Rs. 66,243, but it is understood that the Municipality have paid about Rs. 96,800 *i. e.*, some Rs. 30,500 in excess. The expenditure on plague preventive measures during the current year is put at about Rs. 1,20,000, the Municipal share of which is Rs. 30,000. This is approximately the sum overpaid by the Municipality during the past year, consequently, provided there be no recrudescence of the disease in the Station this year, there will be no call on the Municipality for funds to meet their share of plague expenditure.

7. It is necessary now to deal with the estimates for the current year. According to the table in paragraph 2 the year was expected to open with a deficit of Rs. 68,202, the receipts were estimated at Rs. 3,57,845, and the expenditure at Rs. 4,52,241, leaving a deficit at the end of the year of Rs 1,62,598. In view of the Government of India telegram regarding apportionment of plague expenditure these figures require alteration.

First as regards the deficit at the beginning of the year. This has evidently been overstated. According to the preceding paragraph it should be Rs. 32,802.

Turning next to receipts, those under Part II are estimated at Rs. 2,11,600, a figure largely in excess of the revised and original estimates of 1898—99.

The receipts under profession tax Rs. 11,200 are normal and may stand, but it must not be overlooked that if the plague unfortunately again visit the station this year, so much is not likely to be realised. The same remark applies to the receipts from the tax on houses, buildings and lands.

As regards the water tax, receipts to the extent Rs. 33,750 are estimated and the President explains in paragraph 9 of his memorandum how this figure has been arrived at, *viz.*, that a tax at 5 per cent will bring in Rs. 45,000 a year, but only $\frac{3}{4}$ of this sum have been entered as the tax cannot come into force till the 1st July 1899.

8. The history of the proposed water tax appears to be as follows: At their meeting of the 22nd September 1898 the Commission resolved to impose a tax at 5 per cent per annum of rental valuation on buildings and lands situated within 150 yards from the nearest point at which water is deliverable by the water works, and published the usual notice under section 44 (2) of the Municipal Law. At their meeting of the 19th January 1899, the Commission after considering certain objections received from the public, resolved to impose the tax as proposed, and addressed the Resident in accordance with section 44 (4) of the Law. In his forwarding letter No. 9598 of the 6th February 1899, the President stated that the tax would bring in about Rs. 45,000, while the annual share of the cost of maintenance was estimated at Rs. 65,000. The Commission were of opinion that a higher tax would be an excessive burden, and thought that the balance required, *viz.*, Rs. 20,000, could be found from the proceeds of the proposed tax on kerosine oil, piece goods &c. In this office letter No. 987 of the 6th March 1899, the financial position of the Municipality was discussed at some length and it was suggested that a water tax at 7 per cent be imposed. This suggestion was considered by the Commission at their meeting of the 6th April 1899, but was not approved by the majority, who resolved that the Resident be requested to sanction the levy of a 5 per cent tax, and that the question of adding a further 2 per cent be deferred till next year, pending information as to receipts from present taxation; it was further resolved that a sub-committee be appointed to consider ways and means &c. The Commission seem to have failed to realise the very grave and unsatisfactory financial position of the Municipality. At their meeting of the 2nd March 1899 they sanctioned the budget for 1899—1900 as prepared by the budget committee; a budget showing a deficit at the beginning of the year of Rs. 68,202 and at the end of the year of 1,62,598—and yet, when it is suggested that the water tax be imposed at 7 and not 5 per cent, thus bringing in an extra Rs. 18,000 or 20,000 a year, they resolve, on an apparently superficial view of the situation, that such an increase is unnecessary, and advocate the formation of a sub-committee to consider ways and means. Though, as it may here be noted, a budget committee had recently the question of expenditure under consideration, and would, had any immediate reductions been feasible, presumably not have lost sight of the importance of reducing expenses within the limits necessitated by the exisiting reduced circumstances.

In the first place it is necessary to point out that section 43 of the Municipal Law clearly contemplates that the expenses of maintenance of a water supply shall be met from a special rate, the only proviso being that the proceeds of that rate should not exceed the amount required.

Next, the Commission should not fail to remember that as they have not had to provide for any capital expenditure, and the repayments which the raising of capital entails, they are in a much more favourable position than many other Municipalities to which water supply schemes have been extended.

The Station Municipality have suffered in common with all other corporations in which plague has appeared, and their finances are now disorganized, but they cannot complain that they have been ungenerously treated by Government who in their telegram No. 833 I. A. of the 31st March last have agreed to bear $\frac{3}{4}$ of the expenditure, past and prospective, on plague measures in the station.

The proposal which was carried at the meeting of the 6th April, at which the Municipal Commissioners refused to pass a rate sufficient to meet the cost of the water supply maintenance, practically amounts to a decision to shelve this very urgent matter indefinitely. The position as it then appeared to the Commissioners (some of whom probably voted for the amendment without fully understanding how the finances really stood) is more serious than was represented, seeing that the water tax requires the sanction of the Government of India and cannot, in consequence of the formalities prescribed in section 44 (7) and (8) of the Law, possibly come into force before the 1st October next. Some exaggerated apprehensions about ruin to the station, and so forth, appears to have been expressed during the discussion and to have found an echo in the local Press. The Resident cannot believe that a tax so adjusted as to bring in the sum required for water supply maintenance can, under the circumstances, be

correctly described as a ruinous impost: so far as he can learn from the copy of the proceedings furnished to him, no attempts were made to consider whether by partly withdrawing some of the remissions proposed on the score of distance from stand posts, and by adding, say, 1 per cent to the 5 per cent rate, the end in view could not have been secured. He must press upon the Commission the immediate necessity, in view of the dismal financial outlook, of reconsidering their position. There is of course no objection to the appointment of a sub-committee to reconsider the ways and means of the Municipality, but there is nothing to show, however welcome any such finding might be, that looking to the absence of any provision for new works, it would, whilst maintaining the services required from the Municipality in such a large station, result in any appreciable diminution of expenditure, whilst the attitude which the Commissioners have now taken up of refusing to find a sufficient sum for water supply maintenance, on the chance, necessarily an uncertain one, of the octroi yielding more than is anticipated, or of the equally indefinite prospect of their being able to supply the deficit by reducing expenditure, cannot be considered sound financially. The obvious course appears to be to sanction sufficient taxation for obligatory purposes now, money being urgently required, and then to set about a scheme of retrenchment, should this be found to be particable.

9. Reverting now to the estimated receipts from a 5 per cent water tax, as entered in the budget, *viz.*, Rs. 33,750, and to the manner in which this figure was arrived at, it is clear that it requires modification. The tax, whether it be at 5 per cent or 7 per cent, requires the sanction of the Governor General in Council (*vide* section 43); this being accorded, the Commission have to meet and direct the imposition of the tax [section 44 (7)] and notify such imposition [section 44 (8) (a)], while under proviso (b) of the sub-section last quoted, the tax cannot come into force before the expiration of 3 months from the date of the meeting at which its imposition was directed: lastly, the water tax is a tax "leviable by the year" and can only come into force from the 1st day of a quarter [section 44 (8) (c)], consequently the tax can take effect at the earliest on the 1st of October next *i. e.*, it will be in force for 6 months only of the current year. If it be levied at 5 per cent, the figure Rs. 33,750 in the budget will have to be changed to Rs. 22,500; if at 7 per cent, the correct figure will be Rs. 31,500 in the former case there will be a difference of Rs. 11,250, in the latter of Rs. 2,250.

10. The estimated receipts under "conservancy tax" entered at Rs. 20,000 may stand—as also the estimated receipts from town duties on tobacco, betel leaves and cocoanuts.

The estimated receipts from town duties on piece goods, kerosine oil, Mangalore tiles, and timber, are put at 45,750, and the President explains in paragraph 9 of his memorandum how this figure is arrived at, *viz.*, that the tax on these articles will bring in Rs. 61,000 a year, but that it will be in force for only 9 months of the current year *i. e.*, from the 1st July next. But the tax cannot come into force at so early a date. The resolution of the Commission to tax all the above articles was only communicated to this office in the President's letter No. 11,393 of the 14th March last: as it is necessary for mutually protective purposes that the amended octroi come into force in the Station and Petta Municipalities on the same date, the Dewan of Mysore has been addressed with a view to ascertain definitely the intention of the City Municipality and the Durbar. His reply is still awaited, but may be expected immediately: the tax however cannot, in view of the formalities laid down in section 44 (7) and (8) of the Law, come into force before the 1st August or the 1st September. The latter is perhaps the safer date, and assuming Rs. 61,000, to be an accurate estimate of receipts for 12 months, the receipts for 7 months, *viz.*, from 1st September to the end of the year, should be entered at Rs. 35,580, instead of Rs. 45,750 as proposed in the budget, or a difference of Rs. 10,170.

11. The estimated receipts under Part III are put at Rs. 65,120 or some Rs 37,000 short of the revised estimates for the past year. The falling off is due to the withdrawal of Registration and License fees from the 1st April. These fees were estimated last year to bring in Rs. 38,000 and in 1897—98, they actually brought in Rs. 41,000. The only entry in Part III which seems to call

for any remark is that relating to the "sale of manure and rubbish" which is expected to bring in Rs. 9,000. This estimate is perhaps below the mark. Last year the receipts were estimated at Rs. 20,000, but the visitation of plague and attendant circumstances rendered it necessary to revise this figure and to reduce it to Rs. 5,000. It is by no means certain that plague will reappear to any serious extent, this year. It is noticed that in 1897—98 manure and rubbish brought in Rs. 14,568, and it is not clear why equally good results might not be obtained this year. The Resident has been informed that there is now little or no demand for manure and rubbish, but he does not clearly understand this. If the supervision by the Health Department is sufficiently active, the *poudrette* ought to sell advantageously, as there is presumably no falling off in the operations of the market gardeners and cultivators who usually buy it.

12. The estimated receipts under Part IV are given as Rs. 76,005. This includes Rs. 23,700 under "Local Cess on Abkari and Land Revenue" and Rs. 28,700 under "Contribution on account of plague expenditure." The former item may stand, though it is necessary to mention that, like the Registration and License fees, the grant may possibly be withdrawn by Government: the matter is still under consideration. As regards the latter item it should for reasons given in paragraph 6 at present be expunged. So far as can be foreseen there will be no call on Municipal funds during the year to meet plague expenditure, and consequently no contribution from Government on that account.

The estimated receipts under Part V (Rs. 5,120) call for no remarks.

13. To sum up, the estimated receipts under all parts are entered in the budget as Rs. 3,57,845. This figure requires, in view of the preceding remarks (paragraphs 9, 10 and 12) to be reduced;

(*a*) by Rs. 50,120 if a 5 per cent water tax be imposed and if the local cess be not withdrawn;

(*b*) by Rs. 41,120 if a 7 per cent water tax be imposed and the local cess be not withdrawn;

(*c*) by Rs. 23,700 additional to (*a*) or (*b*) if the local cess be withdrawn.

According to (*a*) the estimated receipts should be put at Rs. 3,07,725.

According to (*b*) at Rs. 3,16,725.

According to (*c*) at either Rs. 2,84,025 or Rs. 2,93,025.

Then there is the question of a loan of 1 lakh of rupees from Government, and the Commission were asked in this office letter No. 1,630 of the 12th April last, if this was required on the terms offered by the Government of India. It is for the Commission to say, after considering the remainder of this Note, whether a loan is or is not necessary. If it is made the amount should be entered under estimated receipts.

14. There remains the question of estimated expenditure. That under Grant I is put at Rs. 1,26,830 or about Rs. 8,000 more than the revised estimate for the past year, and this notwithstanding the fact that *nothing* has been provided under new works. The increase is due entirely to the necessity of maintaining the water supply which is estimated to cost Rs. 63,500, *vide* page 19 of the budget. It is impossible to provide anything for new works at present but possibly money can be found later on.

The expenditure under Grant II is estimated at Rs. 10,400 which is about the same as last year and calls for no remarks.

The expenditure under Grant III is estimated at Rs. 2,41,777. To this must be added the cost of the extra establishment sanctioned in this office letter No. 1435 of the 29th March 1899 costing Rs. 1,285 a month or Rs. 15,420 a year. There must again be added the extra establishment recently sanctioned by the

Commission for the Bowring Hospital; costing Rs. 245 a month or Rs. 2,940 a year. Then again there is the cost of the establishment that will be required when the female wards and maternity are ready. The only item under Grant III that calls for remark is that relating to "cholera and other charges" where a sum of Rs. 90,000 is entered. For reasons already given this may be struck out with the exception of Rs. 2,000 which might remain in case there should be an outbreak of cholera.

In this way the total expenditure entered under Grant III, *viz.*, Rs. 2,41,777 may be reduced by Rs. 88,000, but requires to be increased by Rs. 18,360 in consequence of the establishment recently sanctioned as referred to above, as well as by some Rs. 5,000, the probable cost of establishment required for the female wards of the Bowring Hospital and the maternity, when those buildings are ready. Consequently the expenditure under Grant III may be put at Rs. 1,78,000.

15. The estimated expenditure under Grant IV, Rs. 35,456 requires no remark: that under Grant V (Rs. 36,178) necessitates an addition to provide for extra town duties establishment from the date the tax on piece goods, kerosine oil, &c., is imposed. This establishment inclusive of the municipal share of the pay of the excise *cum* Octroi Superintendent (mentioned in paragraph 4 of this office letter No. 987 of the 6th March 1899) is likely to cost about Rs. 6,000 during the last 7 months of the year. This will raise the estimated expenditure under Grant V to Rs. 42,178. The expenditure under Grant VI estimated at Rs. 1,600 requires no remark.

16. In pursuance of the above remarks the estimated expenditure under all grants entered in the budget at Rs. 4,52,241 might be altered to Rs. 3,94,464 To this, if the Municipality decide to borrow a lakh of rupees from Government must be added the annual instalment in repayment, which is understood to be Rs. 12,230. The total expenditure as estimated would then be Rs. 4,06,694. The estimated receipts have been given in paragraph 13. Briefly then the position is this:—

The Municipality are assumed to have started the current year in debt to the extent of some Rs. 32,800 (paragraph 6) the receipts during the year are, *with the help of a loan of one lakh of rupees*, expected to realize a sum varying from Rs. 4,16,725 to Rs. 3,84,025 according as a 5 or a 7 per cent water tax is imposed, and as the Government do or do not withdraw the local cess; while the expenditure is entered at Rs. 4,06,694. Taking the figures most favourable to the Municipality *i. e.*, a water tax of 7 per cent and the local cess not withdrawn, the receipts will be Rs. 3,16,725 Rs. 1,00,000 loan, or a total of Rs. 4,16,725. The expenditure will be Rs. 4,06,694. In other words, with the help of a lakh loan the receipts will be a few thousands in excess of the expenditure, but the deficit at the commencement of the year will remain as it was, *viz.*, Rs. 32,800, and nothing whatever will have been spent on new works.

In his memorandum the President mentions that possibly the Municipality may be relieved of the cost of maintaining the Bowring Hospital. This is however as yet merely a contingency, the orders of the Government of India are still awaited and if they are favourable to the Municipality, the expenditure would be reduced by some Rs. 40,000 or possibly more. On the other hand it must not be overlooked that the Station is not yet entirely free from plague. The estimated expenditure during the current year mentioned in paragraph 6, *viz.* Rs. 1,20,000 is based on the assumption that there is no recrudescence of plague, but the disease may unfortunately reappear in August or September in a more or less virulent from, in which case it is impossible to foretell the limits of the expenditure that may be necessary. Judging by past experience it might conceivably amount to 2 lakhs, $\frac{1}{4}$ of which would have to be provided from Municipal funds.

It seems to be abundantly clear that during the current year, even if they be relieved of the cost of maintaining the Bowring Hospital, the Municipality can maintain equilibrium only by borrowing a lakh of rupees.

87. The Resident commends the foregoing remarks to the serious attention of the Municipal Commission, with whom he is only too anxious to co-operate in resuscitating finances which, but for the recent terrible visitation of plague, would have been in a flourishing condition. He suggests that the position be fully discuss-

ed at the approaching special meeting, and he earnestly hopes that the Commission may be guided towards an efficient and satisfactory discharge of the onerous responsibilities which now rest upon them.

K. D. ERSKINE, CAPTAIN,
First Assistant to the Resident.

April 27, 1899.

POST SCRIPT.

Orders have since been received from the Government of India on the question of local cess referred to in paragraph 12. They have ruled that the Municipality's claim to this cess on abkari toddy and ganja cannot be admitted.

2 On the receipt side therefore of the municipal budget the sum of Rs. 23,700, shown on account of this cess under Part IV, must now be omitted, thus reducing the total estimated receipts to Rs. 2,84,025 if a 5 per cent water tax be imposed, or to Rs. 2,93,025 if a 7 per cent tax be imposed, which will be enhanced by Rs. one lakh if the Municipal Commission decide to borrow that amount.

3. With reference to the 3rd clause in paragraph 16 it may be mentioned that the Government of India have agreed to undertake in future the annual maintenance of the Bowring Civil Hospital, provided this does not include any special charges arising out of plague. This will reduce the total expenditure of Rs. 4,06,694, *vide* paragraph 16, by about Rs. 38,028 as estimated in this note namely :—

	Rs.
Grant I.—	
2. Repairs (to B. C. Hospital)	1,000
Grant III A.—B. C. Hospital.	
(*a*) General Supervision	9,280
(*b*) Male wards and Isolation wards	15,180
(*c*) Female Hospital, maternity and caste wards	4,700
As per paragraph 14 and 15....	7,940
Total Rs....	38,028

H. R. C. DOBBS,
First Assistant to the Resid

From L. T. HARRIS, Esq., I. C. S., President, Municipal Commission, Civil and Military Station, Bangalore, to the First Assistant to the Resident in Mysore, dated 23rd May 1899, No. 1271 & 2 En.

I have the honor to state for the information of the Resident that his note "on the Municipal Budget proposals revised 1898-99 and estimates 1899—1900 and the financial position of the Municipality," was placed before a special meeting of the Commission on the 13th instant with the result that the following resolution was passed in connection therewith.

2. Letter No. 1630, dated 12th April 1899 from the First Assistant Resident regarding the proposed loan of one lakh of Rupees together with note by the Resident on the budget estimate of 1899—1900 and the financial position of the Municipality.

Before proceeding to discuss the letter and note above quoted it was proposed by the President and seconded by Mr. Suryanarayana Rao that the Commission resolve themselves into a Committee to consider the subject of the water-tax.

Resolution—Carried *nem con.*

On the Commission resuming constitution and as the result of the deliberation of the Committee, it was proposed by the District Superintendent of Police and seconded by the Vice-President, that the limit distance of 150 yards proposed to regulate the levy of the tax be abolished and that a tax not exceeding 6 per cent. be imposed as the water-tax.

Voting.

For	against	
14	5	*Resolution*—Carried.

Proposed by the President and seconded by the Vice-President, that the offer of the Government of India as to the loan of one lakh of rupees on terms offered be accepted.

2. This resolution was the outcome of a discussion which had taken place on the "Note" in Committee at the time of the Meeting.

Resolution—Carried *nem con.*

3. Before proceeding to deal with the subject of the withdrawal of the cess on Abkari, Toddy and Ganja, which as forming part of the Residents' Note was also discussed in Committee, I would offer the following remarks with regard to the imposition of the water-tax, and as to the financial position of the Municipality which will be found slightly improved as hereafter explained.

4. *First.*—With regard to the imposition of the tax the Commission have, it will be observed, resolved to abolish the remission with regard to distance from the point of the delivery of water, which was contemplated in the original notice with regard to the tax, and to impose a tax not exceeding 6 per cent. These are altered conditions in consideration of which the Resident may determine that the draft notice relating to the imposition of the tax shall be republished under section 44 (2) of the Bangalore Municipal Law, and instructions on the point are awaited.

5. Section 43 (1) of the Bangalore Municipal Law exacts that with the sanction of the Governer-General in Council a Water-tax may be imposed, but under the provisions of clause VI of the memorandum of agreement in connection with the Water Supply, dated 1st February 1897, it may be held that the Government of India have already sanctioned the levy of a water rate at such rate as the Commissioners may deem fit. If this view of the case be concurred with, and it should be decided to republish the notice, there will be time between now and the end of June next to give effect to the requirements of section 44 (7) and 44 (8) (*a*) and (*b*) of the Bangalore Municipal Law.

6. The Commission have practically decided that the rate will at first be levied at 6 per cent which in conjunction with receipts on account of excess-water taken from house connections and payments on account of water used for trade purposes, will after allowing for remission on account of houses occupied by officers doing Military duty in the Station, produce a revenue equivalent to the expenditure on the Water Supply.

7. The financial position of the Municipality as dealt with in the Resident's note has altered somewhat since the details upon which that note is based, were submitted.

8. The deduction to be drawn from the "Note" adopting the most favorable position indicated *i. e.*, highest water rate, loan of one lakh of rupees, and continued payment of the local cess on abkari is given in the second clause of Para 16 as follows :—

	Rs.
Receipts	4,16,725
Expenditure	4,06,694

thus showing a small excess of receipts over expenditure of Rs. 10,031.

9. But this position is again altered by the postscript to the note from which it may be gathered that the receipts will be reduced by Rs. 23,700 and the expenditure by Rs. 38,028, so that the excess of Rs. 10,031 will be increased to Rs. 24,359.

10. Before making a final pronouncement on these figures, it will be necessary to see how far the figures shown in the revised estimates of 1898—99 agree with the actuals for that period, and to bear in mind that the estimated deficiency on 31st March 1899 amounted to Rs. 32,802 (para 6 of the note.)

11. A separate statement of details relating to the estimated and actual revenue and expenditure of 1898—99, with brief explanations, has been prepared and will be found attached hereto.

12. From this statement it will be seen that the actuals of 1898—99 were as follows :—

	Rs.
Receipts including opening balance	4,16,516
Expenditure	3,92,403
Closing balance...	24,113

so that instead of having a deficit of Rs. 32,802 the year opened with a balance of Rs. 24,113. This however, is still an unreal position from the fact that it has to a great extent been arrived at by the non-payment for works in progress, or not executed, but which remain to be carried out; *e. g.*, on account of the new ward of Bowring Civil Hospital improvement scheme Rs. 18,754 have still to be provided. The expenditure on roads, was, last year, some Rs. 13,000 short of the amount set apart for that purpose and provision for which during the currency of the present year must be made.

13. The sum of Rs. 24,113 as above includes the endowment of Rs. 6,265, so that the amount actually to be shown as an opening balance as compared with the deficiency of Rs. 32,802 is really Rs. 17,848 which as above shown will be insufficient to meet reappropriations. The balance required must therefore be met from a portion of the sum of Rs. 24,359 referred to in para 9 above.

14. The actuals of 1898-99 given above do not relate in any way to the sums spent by Government or placed at the disposal of the Municipality on account of Plague, and the expenditure shown, represents the amount spent by the Municipality out of their own funds.

15. Having regard to the preceding remarks, the position seems to be this : The Commission on the 1st April 1899 had an opening balance of Rs. 17,848, and anticipate on the estimated receipts and expenditure of the year an excess of receipts over expenditure (irrespective of the opening balance) to the extent of Rs. 24,359, or

in all a sum of Rs. 42,207. Of this latter amount Rs. 38,220 will be required for re-allotment or allotment as follows :—

GRANT I.

NEW WORKS—*in progress.*

	Rs.
Bowring Civil Hospital improvements	18,754
Construction of urinals	70
Construction of street drains	320
Regulating the Feeder Channel from Cunningham Road to Millers Tank No. III	590
Fencing Kulpully Cemetery	500
Repairs.	
Cantonment Roads	9,948
Suburban Roads	1,091
Military Roads	2,463
Markets	1,010
Improving Stand pipes in the New Market	140
Miscellaneous other items	148
GRANT IV.	
Acquisition of land for Kulpully Cemetery	700
Total...	35,734

The Commission have also sanctioned the following :—

Drains for Slaughter House	1,581
5 waggons for transport of carcases from slaughter houses ...	700
Horbury Patent Latrine near Ulsoor Police Station	205
Total Rs. ...	2,486

making in all a total of Rs. 38,220.

The closing balance at the end of the year may therefore be estimated at Rs. 3,987.

16. The postscript to the note deals, amongst other matters, with the decision of the Government of India with regard to the cess on abkari. In the discussion which took place in committee on the 13th instant, the Commission were very decidedly of opinion that a respectful representation be made to the Government of India that even should they in reviewing the circumstances under which the revenue on this account was given to the Municipality adhere to their determination to discontinue the payment, it would only be equitable to at the same time relieve the Commission of the expenditure entailed by grants-in-aid to primary schools.

17. The condition under which the revenue was ceded to the Commission are very clearly defined in your No. 1447/1915 dated 24th May 1886 in para 2 of which it is stated that " the transfer is made partly in consideration of the Municipal board taking over the charge of primary education and partly to assist the board in carrying out the conservancy and other work of the Municipality."

18. The financial position of the Municipality is now such that the annual expenditure of Rs. 10,000 (the approximate expenditure at present on grants-in-aid to primary schools, as compared with Rs. 4,854 in 1885-86) is a very serious consideration, and even if it be conceded that the sanitary condition of the station is such as to require no very heavy expenditure beyond what is at present incurred, it may here be recorded that whilst at the time 1885-86) the " cess" was granted the expenditure on conservancy was but Rs. 32,575, it is now Rs. 92,643. It cannot therefore be said that the Commission has hesitated to apply to sanitary measures the finances at their disposal. The expenditure on primary education has moreover been more than doubled since it was considered advisable to assist the Municipality in meeting it in 1885-86. If the Government of India do not on reconsideration cancel their decision, they will, it is trusted resolve to deal with the Commission in this case on the lines adopted in the analagous case of the Bowring Civil Hospital in which, whilst withdrawing the income from which that hospital was maintained, they at the same time relieved the Commission of charges on account of that hospital.

Statement referred to in Letter No. 1271, dated 23rd May 1899 to the First Assistant to the Resident in Mysore.

Particulars.	Receipts.						Remarks.
	Estimated.			Realized.			
Part I Opening balance—							
(*a*) Municipal Fund ...	1,19,426	0	0	1,19,427	2	3	
(*b*) Endowments ...	6,265	0	0	6,264	10	4	
Part II Rates and Taxes—							
1. Tax on Professions and trades ...	8,000	0	0	8,925	0	0	The decline of Plague in the latter months of the year encouraged people, who had left the Station, to return and the efforts which were made to recover the taxes were attended with better success than had been anticipated when the revised figures were estimated.
2. Tax on houses, buildings and lands ...	56,000	0	0	62,460	7	0	
3. Lighting Tax ...	170	0	0	194	4	9	
4. Town duties ...	34,550	0	0	34,182	9	4	
Part III Revenue derived &c.—							
1. Rent of lands and buildings ...	10,300	0	0	10,247	9	4	
2. Sale proceeds of land ...	460	0	0	460	8	0	
3. Fees ...	31,650	0	0	31,774	12	4	The difference decrease is due to the security deposit of the contractor not having been brought to account under this head during the currency of the year.
4. Produce of lands ...	1,150	0	0	858	10	0	Realization under "Garden and other lands" and "Avenues" fell short of the estimate owing to causes incidental to the out break of Plague.
5. Sale of old materials and tools ...	450	0	0	444	13	0	
6. Miscellaneous license and Registration fees ...	44,240	0	0	45,904	8	4	Increase due to improvement over revised estimated receipts on account of excess sales of beer and arrack.
7. Conservancy Receipts ...	15,800	0	0	16,500	10	2	Do Do Sale of Manure & Rubbish.
8. Process fees ...	1,100	0	0	1,937	0	4	Increase due to the special efforts made to recover taxes.
9. Fines ...	1,600	0	0	1,609	3	5	
10. Interest on fixed deposit ...	2,836	0	0	2,835	9	3	
Part IV Grants and Contributions—							
1. Government ...	64,600	0	0	64,190	4	10	The receipts under "Local Cess on Abkari" were less by Rs. 392 than estimated.
2. Pensionary contributions.	2,400	0	0	2,402	8	6	
3. From other sources ...	...	...	...	...	...	...	
Part V Miscellaneous—							
1. Quarry Licenses ...	70	0	0	72	0	0	
2. Fees under Hackney Carriage Rules ...	2,900	0	0	2,751	14	0	
3. Cattle Pound fees ...	1,450	0	0	1,428	10	6	
4. Sale of copies of Municipal Regulations and Bye-laws ...	60	0	0	59	8	0	
5. School fees ...	40	0	0	34	7	0	
6. Town Duty Miscellaneous receipts ...	50	0	0	50	11	10	
7. Refund from expenditure of previous years ...	30	0	0	120	12	10	Native nurse Gundammah having broken her agreement refunded Rs. 100 stipend paid to her.
8. Extraordinary ...	160	0	0	1,378	2	8	Excess is mainly due to crediting during the year to Municipal Funds deposit of Rs. 1,190 belonging to certain rubbish contractors who failed owing to break of Plague epidemic.
Total receipts II to V ...	2,83,066	0	0	2,90,824	9	5	
Add opening balance ...	1,25,691	0	0	1,25,691	12	7	
Grand Total...	4,08,757	0	0	4,16,516	6	0	

Statement referred in Letter No. 1271, dated 23rd May 1899 to the First Assistant to the Resident in Mysore.

Particulars.	Expenditure. Estimated.	Actuals.	Remarks.
GRANT I—Public Works—			
1. New Works	38,652 0 0	17,642 13 0	The difference decrease of Rs. 21,009 is almost wholly made up of an unspent amount Rs. 18,754, provided for the improvement of the B. C. Hospital and which will have to be reallotted during 1899—1900. The difference between the two amounts mentioned is made up of savings on original estimates and amounts unspent in connection with incomplete works.
2. Repairs	67,904 0 0	43,351 12 5	The difference decrease Rs. 24,552, is to a great extent attributable to non-expenditure of the full estimated amount on repairs. Communications on inevitable result of the Plague epidemic. It will be necessary to reallot funds to the extent of Rs. 13,502 in this connection during the year 1899—1900. It will also be necessary to reallot funds on account of incomplete works-repairs to the extent of Rs. 1,298. Under this head of repair the sum of Rs. 12,000 was provided on account of water supply of which Rs. 4,511 was actually "charged" but the difference was paid under head advances recoverable and it will not be necessary to reallot any sum in this connection.
3. Establishment	11,080 0 0	10,941 6 5	
4. Tools and Plant	500 0 0	466 11 0	
5. Miscellaneous	350 0 0	242 1 10	
GRANT II—Education—			
1. Grant-in-aid to Primary Schools ...	10,000 0 0	9,870 0 0	
2. Building and Furniture grants ...	200 0 0	44 0 0	
GRANT III—Sanitation & Medical Services.			
1. Hospitals and Dispensaries—			
2. Health Department—			
A. General Conservancy and Sanitation ...	89,464 0 0	88,422 0 5	Chiefly due to decreased expenditure under head "clothing and badges" Rs. 470, Disinfectants Rs. 91, Miscellaneous contingencies Rs. 180 and Tar for Latrines Rs. 256.
B. Medical	5,283 0 0	5,001 0 2	
C. Markets	2,647 0 0	2,453 10 6	
D. Slaughter House ...	1,780 0 0	1,767 1 9	
E. Cattle yard	12,000 0 0	8,346 8 11	Vide remark entered below against "Grant IV Miscellaneous and other charges." Hence Savings.

3. Tank Conservancy Establishment ...	1,702	0	0	1,580	8	2	Savings in Establishment charges owing to increased rate of pay sanctioned in Budget for 7 constables not having been brought into effect.
4. Cholera and other charges ...	83,000	0	0	82,703	10	2	
GRANT IV—Miscellaneous—							
1. Lighting	15,912	0	0	15,766	3	9	
2. Maintenance of Avenues ...	1,500	0	0	828	1	4	Savings in contingencies and also in the sum of Rs. 500 sanctioned for "Planting of Trees."
3. Public Parks	2,000	0	0	1,803	13	11	
4. Pounds	1,348	0	0	1,299	13	8	
5. Hackney Carriages	2,870	0	0	2,735	0	2	
6. Prosecution	1,406	0	0	1,332	5	7	
7. Fire Engines	...	...	...	...	...	...	
8. Other Charges	4,220	0	0	8,773	1	9	Excess expenditure is due to "charges relating to cattle yard being debited to this head prior to the provision of Budget for 1898—99."
9. Charitable Grants	5,500	0	0	5,460	0	0	
10. Acquisition of Lands	1,100	0	0	394	9	9	Certain land for the extension of Roman Catholic Cemetery at Kulpully has still to be acquired and paid for and a realiotment of Rs. 700—0—0 on this account will be necessary.
GRANT V—Supervision and Management.							
1. Salaries of officers	3,600	0	0	3,600	0	0	
2. Head office	9,200	0	0	8,743	15	8	Savings chiefly under "establishment Rs. 172, Stationery and Printing Rs. 159, Furnitnre Rs. 43, and Books and periodicals Rs. 49."
3. Assessment and Collection ...	12,098	0	0	11,685	0	4	Savings in charges mainly under heads "Establishment Rs. 215, Stationery and Printing Rs. 65, miscellaneous contingencies Rs. 114."
4. Town Duty	12,008	0	0	11,345	1	11	Savings in charges chiefly under heads "Establishment," Stationery and Printing, Payment of rewards and Clothing *viz.*, Rs. 222, Rs. 64, Rs. 53 and Rs. 300 respectively.
GRANT VI—Pensions and Gratuities—							
Pensions and Gratuities	2,122	0	0	2,054	13	0	
Total Charges Grants I to VI...	4,34,024	0	0	3,81,537	5	10	
Advances recoverable...	...	...	...	10,866	5	8	
Total Expenditure...	...	...	...	3,92,403	11	6	
Balance... Municipal Fund...	...	...	...	17,848	0	2	
Balance... Endowments ...	...	...	...	6,264	10	4	
Grand Total...	...	...	...	4,16,516	6	0	

From the First Assistant to the Resident in Mysore, Bangalore, to the President, Municipal Commission, Civil and Military Station, dated Bangalore, 10th June 1899, No. 2539.

In continuation of my letter No. 2445, dated 5th June, which dealt only with the points raised in your letter No. 1271 of the 23rd May 1899, regarding the imposition of a water rate, I am now directed to further address you on the subject of the final recasting of the municipal estimates for 1899-1900, which was also dealt with in your letter.

2. Since the note of the Resident on the municipal budget was communicated to you, the position of the Municipality has been materially affected by various questions which have arisen, and which necessitate a substantial alteration of the figures both on the receipt and expenditure side of the budget. A statement is attached shewing under the various heads the amounts given by you in the original budget proposals, and the amounts which after careful consideration it would appear to be safe to anticipate, the reason for each variation being briefly noted where any variation has occurred.

3. On the receipt side the sum of Rs. 17,848 has been added on account of the actual balance of the year 1898-99 which has now been ascertained by you to reach that amount. The sum of 1,00,000 has been added on account of the loan which the Municipality has decided to accept and which has already been placed at their disposal. To set off against these increases large reductions have been made under part II rates and taxes, and part IV grants and contributions. Under part II the receipts on account of the water tax must, as has been explained to you in my letter No. 2455 dated 5th June 1899, be reduced to Rs. 16,250, since it is now impossible for collection of the tax to begin before January 1st 1900, and the realization of one quarter only of the estimated total annual receipts can be anticipated. The receipts on account of town duties have also been largely decreased in consequence of the recent receipt of Government of India Resolution No. 55-60 dated the 24th April 1899 on the subject of octroi duties, which is forming the subject of a separate communication to you. Under the Resolution in question the taxation of kerosine is absolutely forbidden, while the tax on piece goods is reduced from Rs. 2 to Re. 1-9 per Rs. 100. It may also be found necessary to impose advalorem instead of quantitative rates on tobacco, Mangalore tiles and timber. This question will be referred to the Government of India; but meanwhile the rates of taxation on these three articles have been left as estimated in the budget. It will however be impossible for the question raised by the issue of this Resolution to be finally decided, for the new octroi schedule under these altered conditions to be approved for a considerable time and it has therefore been calculated that the tax on piece goods, Mangalore tiles and timber will only be collected during six months of the financial year instead of nine months as calculated by the commission.

Under part IV a reduction of Rs. 52,400 has been made on account of contribution for plague expenditure and local cess on abkari, both of which, as explained in para 12 of the Resident's note, have been withdrawn from the municipality.

4. To sum up, the total estimated receipts including the actual balance of last year and the loan accepted by the Municipality cannot, without additional taxation, exceed Rs. 3,82,761.

5. On the expenditure side the total of grant I has been increased, in accordance with the figures given in para 15 of your letter under reply, from Rs. 1,26,830 to Rs. 1,62,660; grant II remains unchanged. Under grant III a reduction of Rs. 29,088 has been made on account of Hospitals, as the Government of India have now undertaken to bear the Bowring Hospital charges. An addition of Rs. 15,420 has been made to the Health Department charges, as explained in para 14 of the Resident's note on the budget. An addition of Rs. 15,800 has been made on account of Plague expenditure.

6. The addition on account of Plague expenditure requires some explanation. The total amount spent by the Municipality last year on plague amounted to Rs. 96,712. It was subsequently laid down by the Government of India in their telegram No. 833 A. dated 31st March 1899 that the Municipality should bear only $\frac{1}{4}$ of the total expenditure on plague; until therefore the total expenditure on plague from the beginning of the outbreak equals four times the amount already spent by the Municipality (*i. e.* Rs. 3,86,848) they will not be called upon to pay any further

sum on this account. The total expenditure on plague up to 31st March 1899 was Rs. 2,62,240, and it is now estimated that the total expenditure during the current year will be Rs. 1,87,884, thus making the expenditure for the two years up to Rs. 4,50,124 This exceeds by Rs. 63,276 the limit of expenditure given above; and the Municipality's share of this excess will be about Rs. 15,800. That amount has been consequently added to the budget. The total under grant III then stands as Rs. 1,56,609.

7. Grant IV has been increased by Rs. 700 in accordance with para 15 of your letter under reply. Grant V has been increased by Rs. 6,000 on account of octroi and excise establishment as explained in para 15 of the Resident's note. Grant VI remains unchanged; and provision has been made for the payment of Rs. 6,115 as one half yearly instalment of the interest on the loan of one lakh received from Government.

8. The total estimated expenditure then is Rs. 4,15,718 and the total estimated receipts* Rs. 3,82,761. Unless therefore expenditure can be reduced, or the receipts increased, the Municipality will have to face a deficit of Rs. 32,957.

Excluding the endowment, Rs. 6,265.

9. In para 18 of your letter you call attention to the fact that the cess on abkari was originally made over to the Municipality "partly in consideration of the Municipal board taking over the charge of primary education"; and you suggest that as the cess has now been taken from the Municipality, it should also be in fairness relieved of the burden of the charges on account of primary education. These charges now amount to above Rs. 10,000 per annum. I am to say that the Resident is prepared to represent this view of the case to the Government of India. But even should the Government of India consent to relieve the Municipality of these charges, the deficit for the current year will reach the sum of nearly Rs. 23,000, and it is evident that very prompt action is necessary on the part of the Municipality to provide for this deficit either by increased taxation or by reduced expenditure.

10. In this connection it is necessary to enquire whether the deficit with which the Municipality is now confronted is temporary and due to accidental circumstances, or whether it must be looked upon as a permanent amount which will have to be made good by the permanent imposition of fresh taxation or reduction of expenditure. On the expenditure side it is to be hoped that the charge of Rs. 15,000 for plague will not recur. Again, the expenditure of about Rs. 19,000 this year on the Bowring Hospital, representing the unexpended balance of the grant made by Government for this purpose last year, will not again have to be met. The same may be said of the extraordinary expenditure of Rs. 10,000 on repairs to roads. On the other hand about Rs. 6,000 more will be incurred as interest on the loan next year, as both half yearly instalments will fall due in that year. The ordinary expenditure of Municipality will therefore be about Rs. 38,000 less than the expenditure estimated for this year.

On the receipt side the loan of a lakh was an extraordinary item which will not recur. But the fact that the water tax will bring in Rs. 48,750 less than it should, and that the new octroi duties will bring in above Rs. 13,700 less than they should if imposed for the whole year is also exceptional. The ordinary receipts of the Municipality will therefore be about Rs. 37,550 less than the receipts (including the loan of a lakh) estimated for this year.

It appears therefore that in ordinary years the expenditure and the receipts of the Municipality will both be less by about an equal amount than those of the present year.

The deficit of an ordinary year, if no fresh taxation were imposed other than the latest octroi proposals now before the Resident would therefore be about the same as the deficit of this year; and it will be necessary for the Municipality to at once consider the possibility if either adding permanently to their revenues the sum of about Rs. 33,000 a year, or on the other hand, an equivalent reduction of expenses. Should the Government of India agree to accept the primary education charges this deficit will be reduced to Rs. 23,000.

11. I am to ask that this question may receive the very early attention of the Municipal Board, and to suggest that the possibility of taxing some of the main staples of consumption in the Municipality which have hitherto escaped taxation should be carefully considered at a very early date.

Statement showing the estimates under the several heads of the Municipal budget as proposed by the President and as altered by the Resident.

HEAD OF RECEIPT.	As proposed by Municipal Commission.		As altered by Resident.		Difference.	Reason for alteration or omission.
PART I—						
1. Current Account	...	...	17,848			
2. Endowments	6,265	...	6,265			
3. Fixed reserve		6,265		24,113	+ 17,848	Amount actual in hand on the 31st March 1899 after the actual transactions of the year were known.
PART II—						
1. Tax on Professions and Trades ...	11,200	...	11,200			
2. Tax on houses and buildings & lands.	61,800	...	61,800			
4. Water tax	33,750	...	16,250		— 17,500	Reduced as the water tax cannot be imposed till 1st January 1900.
5. Conservancy tax	20,000	...	20,000			
		1,26,750				
6. *Town duties*—						
a. Tobacco	26,000	...	26,000			
b. Betel-leaves	5,500	...	5,500			
c. Dry Cocoanuts	600	...	600			
d. Green Cocoanuts ...	7,000	...	7,000			
e. Piece-goods	22,500	...	11,718	...	— 10,782	Tax calculated for 6 months at Re. 1-9-0 per Rs. 100 advalorem.
f. Kerosine oil	6,750	...	...	...	— 6,750	A tax on Kerosine Oil is forbidden.
g. Mangalore tiles	1,500	...	1,000	...	— 500	Tax calculated for 6 months only.
h. Timber	15,000	...	10,000	...	— 5,000	Do.
i. Tax on vehicles and animals.	...					
k. Toll on do						
		84,850		1,71,068		
Total Part II...	...	2,11,600	...	1,95,181		

Part III	...	65,120	...	65,120	Nil.	
PART IV—						
(GRANTS AND CONTRIBUTIONS)—						
1. *Government*—						
a. Suburban roads ...	5,025	...	5,025			
b. Military roads ...	10,780	...	10,780			
c. Main sewer	1,200	...	1,200			
d. Assessment of kandayam lands	3,700	...	3,700			
e. Local cess on abkari and land revenue	23,700	...	...	...	— 23,700	Surrendered by the Municipality with effect from the 1st April 1899 under orders from the Government of India. *Vide* Letter No. 2316/83-99 and 27—5—99 to the President Municipal Commission.
f. Contribution for collection of Income-tax	500	...	500			
h. Contribution on account of plague expenditure ...	28,700	...	...	...	— 28,700	Omitted—Provision to be made in a separate Plague budget.
2. Pensionery contributions ...	2,400	...	2,400			
		76,005		23,605		
Part V	5,120					
		5,120		5,120		
Carried over...	...	3,64,110	...	2,89,026		

Statement showing the estimates under the several heads of the Municipal budget as proposed by the President and as altered by the Resident.

HEAD OF RECEIPT.	As proposed by Municipal Commission.		As altered by Resident.		Difference.	Reason for alteration or omission.
Brought over...	...	3,64,110	...	2,89,026		
Loan to Municipality	...	...	...	1,00,000	+ 1,00,000	Borrowed from the Government of India.
Total estimated receipts including opening balance	...	3,64,110	...	3,89,026		
EXPENDITURE.						
Grant I—(Public Works)—						
1. New works—						
a. *Communications* ...	...	...	...			
b. Buildings	...	...	18,824	...	+ 18,824	A part of the sum of Rs. 20,000 granted by the Government of India in 1898-99, and remaining unexpended on the 31st March 1899.
c. Drainage	...	...	2,491	...	+ 2,491	*Vide* President's letter No. 1271 dated 23rd May 99 made up of the following sums :— Construction of street drains ... ... 320 Regulating feeder channel ... ... 590 Drains for slaughter houses ... ... 1,581 ——2,491
d. Water-supply	...	...	...			
e. Miscellaneous	...	...	705	...	+ 705	* Made up of the following : *Vide* President letter dated 23rd May. Fencing Kulpully cemetery ... ... 500 Horbury Patent Latrine ... ... 205 ——705

2. REPAIRS—						
a. Communications	40,070	...	53,572	...	+ 13,502	Amount of incomplete works on 31st March 1899. *Vide* President's letter dated 23rd May 1899.
b. Buildings	6,450	...	6,460	...	+ 10	A sum of Rs 1,000 in the original estimate on account of the B. C. Hospital has been excised and a sum of Rs. 1,010 added on account of Markets. *Vide* President's letter dated 23rd May 1899.
c. Drainage	3,000	...	3,000			
d. Water supply	64,500	...	64,650	...	+ 150	Improving stand pipes *Vide* Do.
e. Miscellaneous	1,200	...	1,348	...	+ 148	Miscellaneous items *Vide* Do.
		1,15,220		1,51,050		
3. Establishment	...	10,760	...	10,760		
4. Tools and Plant	...	500	...	500		
5. Miscellaneous	...	350	...	350		
Total Grant I...	...	1,26,830	...	1,62,660		
Grant II	...	10,400	...	10,400		
Carried over...	...	1,37,230	...	1,73,060		

Statement showing the estimates under the several heads of the Municipal budget as proposed by the President and as altered by the Resident.

HEAD OF RECEIPTS.	As proposed by Municipal Commission.		As altered by Resident.		Difference.	Reason for alteration or omission.
Brought over...	...	1,37,230	...	1,73,060		
GRANT III—						
1. *Hospitals and Dispensaries*—						
A. B. C. Hospital	29,088	...	...	...	— 29,088	Maintenance transferred to Assigned tract revenues.
B. Alsur Dispensary ...	1,816	...	1,816			
c. Chutrum for Pilgrims ...	1,031	...	1,031			
d. Maternity beds for Zenana Hospital	200	...	200			
e. Contribution to City Maternity.	2,000	...	2,000			
2. *Health Department*—						
A. General Conservancy ...	87,476	...	87,476			
Do. ...	...	...	768	...	+ 768	Sanctioned in Resident's letter of 29th March 1899, No. 1435.
B. Medical	5,787	...	5,787			
Do ...	...	...	3,684	...	+ 3,684	Do
C. Markets	2,647	...	2,647			
D. Slaughter houses ...	1,780	...	1,780			
Do	...	...	700	...	+ 700	Purchase of wagons for transport of carcases *Vide* President's letter dated 23rd May 1899.
E. Cattle yards	18,250	...	18,250			
Do	...	...	10,968	...	+10,968	Sanctioned in Resident's letter of 29th March 1899, No. 1435.

3. Tank Conservancy establishment ...	1,702	...	1,702			
4. Cholera and Plague charges ...	90,000	...	17,800	...	— 72,200	Plague expenditure.
Total Grant III...		2,41,777		1,56,609		
Grant IV	...	35,456	...	36,156	+ 700	Cost of acquiring land for the Kulpully cemetery—*Vide* Resident's letter dated 23rd May 1899.
Grant V	...	36,178	...	42,178	+ 6,000	Cost of extra excise establishment.
Grant VI	...	1,600	...	1,600		
Grant VII	...	...	...	6,115	+ 6,115	One half yearly payment towards Loan.
Total...		4,52,241		4,15,718		

From the First Assistant to the Resident in Mysore, to the President, Municipal Commission, Civil and Military Station, dated Bangalore, 19th August 1899, No. 3669.

I am directed to invite a reference to my letter No. 2539 dated the 10th June 1899 on the subject of the final recasting of the Municipal estimates for 1899-1900.

2. It was estimated in para 8 of my letter that the total deficit for which the Municipality would have to provide would be during the present financial year Rs. 32,957. This estimate was based on the expectation that the proposed new tax on Kerosine would not be sanctioned and that the rate of taxation on piece goods would be reduced from Rs. 2 to Re. 1-9 per cent advalorem. This expectation has, as has been separately intimated to you, been realized, and the Government of India have in addition decided that the rate of taxation on Mangalore tiles must be reduced to Re. 1-9 per cent advalorem. The proposed rate on timber will stand: The proceeds of the new taxes at these reduced rates will, it is anticipated, be about Rs. 44,800 per annum. When my letter was written it was hoped that it might be possible to sanction the taxes in question in time to allow of their imposition by the 1st October next. But this is now impossible; and they cannot come into force before January 1st 1900. The proceeds of the new taxes for the present year will therefore be only Rs. 11,200, or less by Rs. 11,518 than the estimate made in my letter above quoted; and this sum must be added to the deficit, which will therefore amount to Rs. 44,475.

3. In para 11 of my letter it was suggested that the Municipal Commission should take very early steps to consider the possibility of taxing some of the main articles of consumption in order to provide for this deficit. No definite proposals appear yet to have been put forward by the Municipality on this subject, and I am now to draw your attention to the fact that unless the imposition of new taxation is finally directed by the Municipal Commission under section 44 (7) of the Municipal Law on or before the 1st October next, it will be impossible to impose any additional taxation whatsoever during the current year. Before such final direction can be made by the Municipality, the proposals must be published for 30 days, objections must be received and considered, and the Resident's sanction obtained. In order that the procedure may be carried out it will be necessary for the Municipality to publish its proposals under section 44 (2) by the 26th August at latest and I am to ask whether it is not possible that this should be done. You will no doubt fully appreciate the serious embarrassment to which the Municipality will be exposed should it fail to provide in any way for the deficit with which it is threatened.

From L. T. HARRIS, Esq., I. C. S., President, Municipal Commission, Civil and Military Station, Bangalore, to the First Assistant to the Resident in Mysore, Bangalore, dated 2nd September 1899, No 3877.

I have the honor to inform you that your letter No. 2539 dated 10th June 1899, was placed before a special meeting of the Commission held on the 20th idem, and that it was resolved that the question of additional taxation be considered by a committee. Vide resolution No. 2 of the Commission dated 20th June 1899, copy attached.

2. In pursuance of this resolution a meeting of the committee was held on the same date, and it was proposed that a joint committee selected from the City and Civil and Military Station Municipalities, as already intimated in my No. 1951 dated 21st June 1899, should be convened. A further meeting of this committee (appointed under resolution above quoted) was held on the 24th June 1899, and certain non-official members being strongly of opinion that the expenditure of the Commission could be greatly curtailed and that taxation could be thereby avoided, it was resolved that " the meeting be adjourned until such time as the non-official members of the committee may after consultation among themselves propose definite means for the reduction of expenditure and increase in revenue by levy of additional taxation."

3. Several meetings of the non-official members of the committee have been held but no definite proposals in regard to reduction of expenditure have yet been submitted. I understand that an annual saving of from Rs. 20,000 to Rs. 30,000, mainly by reduction in conservancy expenditure and in the salary of heads of Departments, is meditated.

4. A meeting of the joint committee referred to in para 2 above was held at the Mayo Hall on the 24th August 1899, when Government of India Resolution in the Home Department No. 55/60 dated 24th April 1899, and your letter No. 3669 dated 19th August 1899 were considered.

5. Prior to the assembly of this joint committee I had a personal interview (on the 22nd idem) with the President of the City Municipality and we agreed that having regard to the principles enunciated in the Government of India Resolution above quoted, and in para 11 of your No. 2539 dated 10th June 1899, the most advisable tax for imposition would be an octroi duty upon grain of all descriptions. I estimated, upon the basis of statistics given in the Poona Municipal Administration Report for the year 1897-98, that an octroi on grain at the rate of 10 annas per cent advalorem would produce an annual revenue of about Rs. 60,000 for the Civil and Military Station. Such an impost would fall indirectly on the consumer, would effect a main staple of consumption, and would be easy of collection : the amount realized would moreover effectually relieve the congested state of Municipal finance. The proposal was submitted to the joint committee and negatived by 9 votes to 4 : the key note of the argument against the tax was sounded by the member who asserted that " we should strike a heavy blow into the empty stomachs of the poor man" (by taxing grain at the rate of 2/3% !) and by this remark the validity of their arguments may be gauged. In lieu a proposal to levy the following taxes was put forward and carried :—

(1) A tax on all vehicles and animals in the Station and the City.

(2) A toll on vehicles and animals entering the Station and the City limits and not liable to taxation under (1) and

(3) Slaughter House fees at an increased rate of 50% over those at present levied.

Vide Copy of Proceedings of the meeting herewith.

6. The Proceedings of the joint committee were considered by a special meeting of the Commission held on the 26th August 1899, with the result that proposals (1) and (2) were approved* and (3) rejected.

* Copy of Resolution No. 1 dated 26th August 1899 attached.

7. It has been estimated that the tax on vehicles and animals referred to above would at the outside realize Rs. 15,000 per annum, but I think it will fall far short of this figure. Receipts on account of tolls are estimated at Rs. 10,000—another very optimistic view of our situation.

8. The resolution of the Commission imposing these two taxes has been published and objections have been invited under Section 44 (2), (3) Bangalore Municipal Law, and these will be considered under Section 44 (4) Bangalore Municipal Law on or after the 26th September 1899.

9. At the special meeting above referred to, it was further resolved that in order " to meet current emergent requirements, the Government be asked for an additional loan of Rs. 50,000" at 4% per annum repayable in ten years, " or for permission to raise the loan in the open market, the loan being repayable by reduction in expenditure."

10. I purpose addressing you with a further communication in regard to the matter of reduction of expenditure, as soon as the final proposals of the committee referred to in para 3 above come to hand.

11. What the Commission have done therefore with a view to liquidating a present deficiency of Rs. 44,475, and a permanent annual one of Rs. 33,000 is to pass taxation which may bring in an annual revenue of Rs. 25,000 (but which in my opinion will realize little more than half that sum) : in this year it can yield no more than Rs. 6,250 even accepting the most rosy view of our prospects. We therefore have to face a deficiency of Rs. 38,225 in the present and Rs. 8,000 in each coming year, this the Commission propose to meet by a loan of Rs. 50,000, repayment of which will be made at the rate of Rs. 6,000 and odd yearly for 10 years. This loan would wipe out the present year's deficiency and nearly pay that of next year (which, with the loan repayment will amount to Rs. 14,000): the result of this consummate financial manœuvre on the part of the Commission will be that in 18 months we shall require a further loan to meet future instalments of the Rs. 50,000 loan, which will by then be exhausted. The Commission propose to meet these difficulties by reductions, but the practicability of such proposals is as yet most problematic : they have once more failed to realise that it is their duty to find funds to meet present requirements, and then to cast about for means of relieving the tax payer or whomsoever else they may consider oppressed; as was the case with imposition of the water tax, they are shirking an inevitable duty, presumably in the hope that some providential means of escape may be afforded them; in that case approximately Rs 32,000 has been lost ; in this case the account is yet unclosed.

12. I have only to add that I have put the gravity of the situation before them as clearly as possible, and regret the want of success which has attended my proposals.

Abstract of Proceedings of a special meeting of the Municipal Commissioners for the Civil and Military Station of Bangalore, held at the Mayo Hall at 8 A. M., on Tuesday the 20th June 1899.

2. Resolution No. 2 of the Commission dated 13th May 1899 dealing with the financial position of the Municipality.

Letter No. 1271 dated 23-5-99 from the President to the First Assistant to the Resident and his reply thereto No. 2539/83/99 dated 10th June 1899.

Proposed by the President that a tax on vehicles and animals be imposed under section 41 (1) (*a*) (*c*) B. M. Law.

Amendment proposed by Mr. Suryanarayana Rao, seconded by Mr. Sundralinga Chettyar, that the question of additional taxation be referred to a committee.

Voting. The amendment on being put to the vote was carried and the

For against following committee appointed.

9 4

The President.
„ Vice-President.
„ District Superintendent of Police.
„ Second Magistrate.
„ P. L. Bride Esq.
„ H. Abraham Esq.
„ Aga Abbas Ali Saib.
M. R. Ry. M. Venkataswami Garu.
„ B. P. Annaswami Moodelliar Avergul R. B.
„ C. N. Suryanarayana Rao Garu.

Proceedings of the meeting of a joint committee of the Commissioners of the Civil and Military Station and the City Municipalities, convened under letter No. 2539/83/99 dated 10th June 1899 from the First Assistant Resident and resolution of the Commission No. 2 dated 20th June 1899.

Meeting held at the Municipal Office, Mayo Hall at 8 A. M.

Present.

L. T. Harris, Esq., I. C. S., in the chair.

K. P. Puttanna Chetty, Esq., President, City Municipal Commission.

J. O'Shaughnessy Esq.
P. L. Bride Esq.
H. Abraham Esq.
M. R. Ry., M. Venkataswami Garu.
„ C. N. Suryanarayana Rao Garu.
B. Srinivasa Rao Esq.
D. Ranga Rao Esq.
D. Venkataramiah Esq.
C. Krishnamurthi Esq.
Aga Abdulla Saib Esq.

The chairman after referring to Resolution of the Government of India No. 55/60 dated 24th April 1899, proposed in accordance with clause 5 of that Resolution, that all food grains be subjected to octroi duty. This proposal on being put to the meeting was negatived, the voting being 8 against and 4 in favor of the proposal.

The subject of increasing the receipts of both Municipalities by means of increased taxation was then discussed at some length and it was eventually resolved that the following additional taxes be imposed.

I. A tax on all or any vehicles, animals used for riding, driving, draught or burden, and dogs, when the vehicles, animals used as aforesaid, and dogs are kept in the Station or City, at the following rates:—

	Half yearly. Rs.	A.	P.
For every four wheeled carriage on springs drawn by 2 horses ...	9	0	0
Do do by one horse or a pair of horses under 13 hands or by bulls or bullocks	4	8	0
Do two-wheeled carriage on springs drawn by a horse, mule, bull or bullock	3	0	0
Do bicycle or tricycle	1	8	0
Do horse over 13 hands	4	8	0
Do horse of or under 13 hands or mule ...	1	8	0
Do elephant	12	0	0
Do camel	6	0	0
Do horse of or under 11 hands	0	8	0
Do bullock or bull	0	8	0
Do male buffalo	0	8	0
Do ass	0	4	0
Do dog	0	8	0

II. A toll on vehicles and animals used as aforesaid, entering the Station or the City and not liable to taxation under I, at the following rates :—

	Rs.	A.	P.	
On every 4 wheeled carriage on springs	0	4	0	each.
Do 2 do do	0	2	0	„
Do hackery or cart drawn by men, bulls, bullocks, horses, asses or mules laden	0	2	0	„
Do do do not laden ...	0	1	0	„
Do buffalo bull or bullocks laden	0	0	6	„
Do horse over 13 hands, laden or ridden ...	0	1	0	„
Do do do not laden or ridden ...	0	0	6	„
Do horse of or under 13 hands or ass laden or ridden	0	0	6	„
Do elephant	0	8	0	„
Do camel	0	1	0	„

III. slaughter house fees at an increased rate of 50% that is to say, in lieu of the present scale as under the following scale be adopted.

	Present scale.			Proposed scale.		
For each camel	1	0	0	1	8	0
„ bullock	0	8	0	0	12	0
„ cow	0	8	0	0	12	0
„ buffalo	0	8	0	0	12	0
„ calf	0	8	0	0	12	0
„ sheep	0	3	0	0	4	6
„ goat	0	3	0	0	4	6
„ pig	0	2	0	0	3	0

Abstract of proceedings of an adjourned special meeting of the Municipal Commissioners, for the Civil and Military Station of Bangalore, held at the Mayo Hall at 8 A. M. on Saturday the 26th August 1899.

I. Read resolution No. 5 of the Commission dated 11th August 1898 approving of the recommendation of the joint committee relating to the imposition of octroi tax on Kerosine oil, Timber, and Mangalore tiles.

Resolution No. 1 of the Commission dated 22nd September 1898 approving of the recommendation of the joint committee relating to octroi tax on piece goods.

Letter No. 11393 of 14th March 1899 from the President to the First Assistant to the Resident on the subject, and his reply thereto No. 3668 dated 19th August 1899 together with letter No. 3669 of the same date.

Read also proceedings of the meeting, held on the 24th August 1899, of a joint committee of the Commissioners of the Civil and Military Station and the City Municipalities convened under letter No. 2539/83/99 dated 10th June 1899 from the 1st Assistant to the Resident and resolution of the Commission thereon No. 2 dated 20th June 1899.

Proposed by the President that—

I. A tax be imposed on all or any vehicles, animals used for riding, driving,

draught or burden, and dogs, when the vehicles, animals used as aforesaid and dogs are kept in the Station (or City) at the following rates :—

	Half yearly. Rs.	A.	P.
For every 4 wheeled carriage on springs drawn by 2 horses ...	9	0	0
Do do by one horse or a pair of horses under 13 hands or by bulls or bullocks	4	8	0
Do 2 wheeled carriage on springs drawn by a horse, mule, bull or bullock	3	0	0
Do bicycle or tricycle	1	8	0
Do horse over 13 hands	4	8	0
Do horse of or under 13 hands or mule	1	8	0
Do elephant	12	0	0
Do camel	6	0	0
Do horse of or under of 11 hands	0	8	0
Do. bullock or bull	0	8	0
Do male buffalo	0	8	0
Do ass	0	4	0
Do dog	0	8	0

Resolution—Carried nem con.

2. A toll be imposed on vehicles and animals used as aforesaid, entering the Station (or the City) and not liable to taxation under I, at the following rates :—

	Rs.	A.	P.	
For every 4 wheeled carriage on springs	0	4	0	each.
Do 2 do do	0	2	0	„
Do hackery or cart drawn by men, bulls, bullocks, horses, asses or mules laden	0	2	0	„
Do do do not laden	0	1	0	„
Do buffalo, bull or bullocks laden	0	0	6	„
Do horse over 13 hands laden or ridden ...	0	1	0	„
Do do not laden or ridden	0	0	6	„
Do horse of or under 13 hands or ass laden or ridden.	0	0	6	„
Do elephant	0	8	0	„
Do camel	0	1	0	„

Resolution—Carried nem con.

3. The slaughter house fees as at present levied be increased by 50% that is to say, in lieu of the present scale as under the following scale be adopted.

	Present. Rs.	A.	P.	Proposed. Rs.	A.	P.
For each camel	1	0	0	1	8	0
„ bullock	0	8	0	0	12	0
„ cow	0	8	0	0	12	0
„ buffalo	0	8	0	0	12	0
„ calf	0	8	0	0	12	0
„ sheep	0	3	0	0	4	6
„ goat	0	3	0	0	4	6
„ pig	0	2	0	0	3	0

Voting. The proposal on being put to the meeting was not carried.

For	against
6	7

Proposed by the Vice-President and seconded by Mr. R. F. Hayes that to meet the current emergent requirements, Government be asked for an additional loan of Rs. 50,000 on the usual terms, or for permission to raise the loan in the open market, to be repaid by reduction of expenditure.

Resolution—Carried nem con.

From the First Assistant Resident in Mysore, Bangalore, to the President, Municipal Commission, Civil and Military Station, Bangalore, dated 20th September 1899, No 4203.

I am directed to acknowledge the receipt of your letter No. 3877, dated the 2nd instant concerning the financial position of the Municipality.

2. The Municipal Commission have now proposed the imposition of additional taxation which cannot, on the most sanguine calculation, produce more than Rs. 6,520 during the present year, and will, you believe, produce much less. The deficiency in this year's budget will according to your estimate be in round numbers Rs. 38,200. To meet this deficiency the Municipal Commission wish to apply to the Government of India for a loan of Rs. 50,000.

3. I am to point out that, owing to delay in the imposition of additional taxation, extra octroi establishment will not now be needed till January 1st 1900, and the octroi superintendent will probably not be appointed, before the 1st October. The provision of Rs. 6,000 under Grant V of the budget proposed in Captain Erskine's note dated the 27th April 1899 may therefore be reduced to Rs. 1,100, and the total estimated deficit for the current year (the endowment not being counted as a receipt) will then stand at Rs. 34,000 in round numbers. A revised form of budget in which the final estimates are set forth is enclosed for your information.

4. You state in paragraph 3 of your letter under reply that proposals for large reduction of expenditure are under the consideration of a special committee, and that the heads under which this will probably be suggested are conservancy and the salary of heads of departments. Such reductions cannot at all events be made during the current year; and the officiating Resident doubts whether it would under any circumstances be wise to spend less than at present on such important matters as sanitation and supervision. The possibility of reducing the current year's deficit by curtailing expenditure may therefore be dismissed from consideration.

5. It is observed that you suggested to the joint committee of representatives of the Municipal Boards of Bangalore City and of the Civil and Military Station, the advisability of imposing an octroi on grain which you calculated would produce a revenue of Rs. 60,000 a year. Had such a proposal been adopted, it would have gone far towards relieving the Municipality of there present embarrassments, and would have ensured a sufficient income for future years. Mr. Crawford concurs with you in regretting its rejection by the Municipal Commissioners. The tax is one which has been imposed in a large number of important Municipalities in other parts of India and there seems to be no reason to fear that it would press hardly upon the poorer classes of the population. It is not yet too late, however, for some reduction to be made in the impending deficit by the imposition of additional taxation. If proposals for such taxation were passed and published on or before the 1st October objections could be considered on the 1st November and new taxes could be imposed with the sanction of the Resident within a few days of the 1st February 1900. It would indeed hardly be possible to impose taxes which during 2 months of the year could produce as much as Rs. 34,000. But as the permanent annual deficit will now amount to Rs. 18,000, it will be necessary in order to balance receipts and expenditure in the future to impose additional taxation which will produce at least that amount in a year. Moreover, the need of funds for original works being considered, there can be little doubt that an addition of Rs. 24,000 to the present annual receipts is required. If taxation sufficient to produce this amount in one year is imposed with effect from February 1st the receipts of the Municipality will be increased by Rs. 4,000 during the last 2 months of the year, and the current year's estimated deficit will be reduced to Rs. 30,000.

6. I am now to ask that you will commend this course to the Municipal Commission. As you remark in your letter under reply the financial difficulties in which it finds itself are due chiefly to the opposition which it displayed to the imposition of an adequate water-tax at the beginning of the year. The residents of the Civil and Military Station have in consequence enjoyed the benefits of the water supply for three quarters of a year without paying for it, and they may with justice be required to partially make up for the consequent deficiency by paying increased taxation towards the close of the year

7. Should the Municipal Commission be willing to adopt the course indicated above, and to immediately impose taxation which will ultimately be inevitable, Mr. Crawford will be prepared to represent their difficulties to the Government of India and to ask for temporary assistance. If however the Commissioners fail to recognise the duty imposed upon them by circumstances it will, he fears, be difficult to satisfy the Government of India that they have done their utmost to help themselves, and other measures may become necessary.

8. From your account of the interview which you had with the President of the Bangalore City Municipality, it appears that the latter Municipality would not be opposed to the imposition of any additional taxation to which the Municipal Commissioners of the Civil and Military Station may consent; and all proposals to this effect should be considered as before in consultation with representatives of the Bangalore City Municipality.

No. 5238, dated Bangalore, the 27th October 1899.

From—L. T. Harris, Esq., I. C. S., President, Municipal Commission, Civil and Military Station, Bangalore.

To—The First Assistant to the Resident in Mysore.

I have the honour to forward herewith copy of resolution No. 2 of the Municipal Commission passed at an adjourned special meeting held this morning and to request that the Resident will, under Section 44 (5) Bangalore Municipal Law, be pleased to sanction the imposition of an octroi on the *commodities named on the margin at rates entered opposite each.

*Sugar of all kinds (Jaggery excepted) at 1 % ad valorem.
Kulthi gram, bran, oats and chaff at 1 % ad valorem.
Bar Silver at 2 % ad valorem.

2. A notice was published on 27th September 1899 under the provisions of Section 44 (2) and objections invited against the proposed imposition under Section 44 (3), but none have been received.

3. It is intended to bring the imposition of these taxes into force on and from the 1st February 1900, and in order to do so, it is essential that the direction of the Commission prescribed in Section 44 (7) should be given on or before the 31st intant. I have accordingly arranged for a special meeting on the 30th instant, and I would request that the Resident's sanction to the imposition of octroi tax on the articles detailed may be accorded at a very early date.

4. I may add for the information of the Resident that from the city members assembled here this morning for a joint committee meeting, I learnt that the question of the imposition of a tax on the articles referred to, comes before their Board for consideration on the 10th November 1899.

Municipal Commission, Civil and Military Station, Bangalore.

NOTICE.

—:o:—

No. 4449, dated the 27th September 1899.

The following resolution of the Municipal Commission for the Civil and Military Station of Bangalore passed at their meeting on the 26th September 1899 is herewith published for general information under Section 44 (2) of the Bangalore Municipal Law, 1897.

i Sugar of all kinds at 1 %-ad-valorem.
ii Kulthi gram, oats, bran, and chaff at 1 % ad valorem.
iii Bar Silver at 2 % ad valorem.

The octroi will be assessed and collected from the person or persons in charge of the articles on their entering the Station.

2. Any inhabitant of the Station objecting to the proposed tax may within 30 days from the date of the notice submit his objection in writing to the Commission.

(Signed) L. T. HARRIS,
President.

Abstract of Proceedings of Municipal Commissioners, dated the 27th October 1899.

* * * * *

2. Resolution No. 2 of the Commission dated the 26th September 1899 proposing the imposition of an octroi on sugar, kulthi, &c., and bar silver. Notice No. 4449, dated the 27th September 1899 publishing the above resolution and inviting objection and objections received.

Resolved that the Resident be asked to sanction the imposition of an octori on

i Sugar of all kinds at 1% ad valorem.

ii Kulthi gram, oats, bran and chaff at 1% ad valorem.

iii Bar silver at 2% ad valorem.

* * * * *

(Sd) L. T. HARRIS,
President.

No. 4890, dated Bangalore, the 2nd November 1899.

From—H. R. C. Dobbs, Esq., I. C. S., First Assistant to the Resident.

To—The President, Municipal Commission, Civil and Military Station.

With reference to your letter No. 5238, dated the 27th October 1899, I am directed to convey the Resident's sanction to the imposition of the following taxes in the Civil and Military Station of Bangalore, provided the City Municipality consents to levy similar taxes within its limits.

Sugar of all kinds (Jaggery excepted) at 1 % ad valorem.

Kulthi gram, bran, oats and chaff at 1 % ad valorem.

2. The Government of India have laid down in paragraph 5 of their Resolution No. 55—60, dated the 24th April 1899, that only main staples of consumption should be taxed. The Officiating Resident is of opinion that bar silver does not fall within this category and he is unable to sanction the proposed imposition of a tax of 2 per cent ad valorem on this article.

3. It is understood that the municipality hope to be able to impose the taxes above sanctioned in time to secure same income during the current financial year. As the receipts on that account will affect the budget, which has not yet been finally passed, I am to ask that the fact of the imposition of the taxes may be reported without delay to this office, an estimate at the same time being made of the amount which it is expected to realize from them during the current financial year.

Residency Press, Bangalore.—5-12-99.—100.

/0

No. 2403 I.-A.

FROM

THE DEPUTY SECRETARY TO THE
GOVERNMENT OF INDIA
in the Foreign Department,

To

THE RESIDENT IN MYSORE.

Dated Simla, the 2nd June 1900.

SIR,

I am directed to acknowledge the receipt of Mr. Crawford's letter No. 5270, dated the 24th November 1899, regarding the financial position of the Civil and Military Station of Bangalore.

2. Your telegram cited in the margin reported that prospects had improved, and that the loan of Rs. 40,000, which was recommended in Mr. Crawford's letter, would, therefore, probably not be required by the Municipality.

No. 1309, dated the 19th March 1900.

3. With reference to the suggestion that the Government of India should assume the charges on account of primary education, which are now borne by the Municipality and for which provision to the extent of Rs. 10,400 has been made in the budget for the current financial year, I am to say that in all provinces the great bulk of the contributions from public funds towards primary education is derived from local, including Municipal, funds. It is the policy of Government that primary education should be administered by District and Municipal Boards, and that the funds of these bodies should be utilised as far as possible for the purpose. In these circumstances, the Government of India, as at present advised, are not prepared to take over these charges in the Civil and Military Station.

I have the honour to be,

SIR,

Your most obedient servant,

(Sd.) H. DALY,
Deputy Secy. to the Government of India.

No. 2404 I.-A.

A copy of the foregoing letter, together with a copy of the correspondence to which it is a reply, is forwarded to the Department of Finance and Commerce, for information.

By Order, &c.,

FOREIGN DEPARTMENT,
SIMLA;
The 2nd June 1900.

(Sd.) P. T. SPENCE,
Asstt. Secy. to the Government of India.

Foreign Office Press—No. 1243—2-6-00—50.

No. 3161, dated Bangalore, the 4th July 1900.

From—The Honorable Lieut.-Colonel Donald Robertson, C. S. I., Resident in Mysore.

To—The Secretary to the Government of India, Foreign Department.

I have the honour to invite a reference to the orders contained in paragraph 3 of your letter No. 2231 I. A., dated the 12th June 1897, which dealt with the subject of excise taxation in the Civil and Military Station of Bangalore.

2. The Government of India then determined to permit the continuance of the municipal tax on liquor as a temporary measure pending a decision as to the Abkari system to be adopted thereafter in Bangalore; and it was stated that concurrently with the abolition of the tax they would be prepared to grant the Municipal Commission such subvention from the general revenues of the Assigned Tract as they might from time to time consider advisable, on an examination of the municipal finances. The final decision of the Government of India as to the Abkari system was communicated to me in your letter No. 1091 I. A., dated the 28th April 1899, and in your telegram No. 1431 I. A., dated the 31st May 1899, orders were given that all the taxes formerly received by the Municipality on account of liquor, namely Registration fees, License fees and Local cess on Abkari, should, with effect from the 1st April 1899, be credited to the revenues of the Assigned Tract. I now have the honour to submit, for the consideration of the Government of India, the question of the amount of the subvention which it seems to be advisable to grant to the Municipality from the general revenues of the Assigned Tract.

3. The average annual receipts from the taxes on liquor surrendered by the Municipality (calculated on the actual receipts for the four years ending the 31st March 1898) amounted to Rs. 66,742 as shown in detail in the margin. In return for this surrender the Municipality have been relieved of the charges on account of the Bowring Civil Hospital, which amount to about Rs. 38,000 per annum; so that the nett annual loss to the Municipality is in round figures Rs. 28,700. I beg to recommend that an annual subvention of approximately this amount may be granted to the Municipality, for so long at least as their finances are crippled by the necessity of repaying the loan of one lakh which they received from Government last year, that is to say until the 31st March 1909. On the conclusion of this period the finances of the Municipality might again be examined and the question of subvention reconsidered.

	Rs.
Fixed Registration fees	... 13,465
License fees on excess sales	... 29,577
Local cess on Abkari	... 23,700
	66,742

4. In Mr. Crawford's letter No. 5270 dated the 24th November 1899, the state of the municipal finances was closely examined, and an attempt was made to forecast the normal position in future years. The conclusions arrived at were that, if the charges on account of education were not undertaken by the Government of India, the deficit for the year 1899—1900 would be about Rs. 43,600, and that in normal years free from plague there would probably be a surplus of about Rs. 25,000. It was shown that additional taxation estimated to produce Rs. 1,54,800 per annum had been imposed, and that the rate of taxation per head had increased from Rs. 1—11—0 to Rs. 3—3—0, a rate which is, I believe, higher than in any Municipality in India with the exception of Bombay. Mr. Crawford recommended that a loan of Rs. 40,000 should be granted by Government. Whilst this application was under the consideration of the Government of India, the Municipality made the most strenuous efforts to reduce expenditure and succeeded in doing so to the extent of Rs. 43,600 (the revised estimate for 1899—1900 being Rs. 3,77,481 as compared with the estimate framed by Mr. Crawford of Rs. 4,21,168). At the same time the actual receipts exceeded the estimates by about Rs. 3,800. This excess was chiefly due to the payment of large arrears due from the previous year on account of slaughter house fees and license fees, which were an abnormal item of revenue. I enclose a copy of the budget estimates for the year 1900—1901 and

of a memorandum thereon drawn up by the President of the Municipality, which includes the figures for the year 1899—1900, and sets forth the details of the variations to which I have alluded. It will be seen that the largest decreases on the expenditure side were under the head of Public Works (Rs. 18,934) and of sanitation and medical services (Rs. 21,223). The decrease under the head of Public Works was mainly due to the non-execution of repairs to roads. Under the head of sanitation and medical services a decrease of about Rs. 11,000 was due to reductions in the establishment of scavengers and sweepers, in the cost of the hire and purchase of bullocks for rubbish carts, and to lessened expenditure on other such matters. The saving of the remaining Rs. 10,000 under this head was due to the fact that it was found possible to reduce expenditure on plague towards the end of the year. In the case both of public works and of the conservancy establishment these reductions were, from every point of view, undesirable, and constituted a sacrifice of the efficiency of the municipal administration to financial considerations. They enabled me, however, to announce to you in my telegram No. 1309, dated the 19th March 1900, that the Municipality were not in need of the loan for which Mr. Crawford had asked, and at the end of the year there was an available balance, exclusive of endowments, of Rs. 3,866 to the credit of the Municipality. By so narrow a margin did the Municipality escape bankruptcy. With regard to the current year the situation coincides closely with that foretold by Mr. Crawford, so far as relates to the proportion borne by the estimated expenditure to receipts. It was predicted that in the absence of plague there would be an excess of receipts over expenditure of about Rs. 25,000. But it has been found necessary to make a provision of Rs. 27,000 on account of plague, and accordingly, if Mr. Crawford's predictions had been realized, the Municipality would have been confronted with a deficit of about Rs. 2,000. It is actually estimated that there will be a deficit of about Rs. 4,000, the endowments of Rs. 6,265 not being available for expenditure. The opening balance and endowments being included, the grand total of receipts and expenditure for 1900—1901 is estimated at Rs. 3,65,901 in each case, as compared with a grand total under receipts of Rs. 4,04,908 and under expenditure of Rs. 4,06,933 (including plague charges) anticipated by Mr. Crawford. Under the head of receipts the following are the chief reductions on the estimate formerly framed for a normal year :—

		Rs.
Part I.		
	Opening balance	13,982
Part II.		
(4)	Water tax	5,000
(6)	(a) tobacco	500
	(e) piece goods (f) Mangalore tiles (g) timber	19,160
	(j) sugar (k) various grains	15,200

It will be seen that the produce of the additional taxation imposed last year, which was calculated in Statement B attached to Mr. Crawford's letter to amount to Rs. 1,54,800, is now estimated in the light of experience to amount to only Rs. 1,16,440. In this connection I would point out that Mr. Crawford stated in paragraph 5 of his letter that his calculation was based on estimates professedly vague of receipts from new taxes.

Under the head of expenditure the following are in round figures the chief reductions on the estimates framed by Mr. Crawford for a normal year :—

			Rs.
Grant	I 2 (a)	Repairs to Communications	4,000
		Do to drainage	1,000
„	III 1 (E)	Contribution to City Maternity Hospital ...	1,000
„	2 (A)	General conservancy and sanitation	11,400
„	2 (B)	Medical	1,500
„	2 (F)	Conservancy cattle	1,700
„	3	Tank conservancy	1,100

It is evident that these reductions have again been made under heads from which money could ill be spared, and that the efficiency of the municipal administration must be still further crippled during the current year. It has not been found possible to make any adequate provision for new works, the amount actually provided being only Rs. 3,250. The municipal roads, many of which are in a poor condition, must suffer even greater neglect than they did last year; and the state of the drains, which in some quarters amounts to a public scandal and a grave danger to health, cannot be improved.

5. In these circumstances I venture to think that the Municipality is now justified in again reminding the Government of India of the promise of a subvention, to which I have already alluded. I have the less hesitation in pressing, as I do most earnestly, the question upon the attention of Government, because it was on a purely technical point, with the object of levelling up the system here to the requirements of scientific administration, that the Municipality was deprived of the Excise fees which it had so long enjoyed with the permission of the Government of India. I trust that, on a consideration of the facts which I have now set forth, the Government of India will be pleased to make the grant asked for.

No. 5070-I. A.

12

FROM

THE DEPUTY SECRETARY TO THE GOVT. OF INDIA,
FOREIGN DEPARTMENT,

To

THE HON'BLE LIEUT.-COL. D. ROBERTSON, C.S.I.,
RESIDENT IN MYSORE.

Dated Simla, the 19th November 1900.

SIR,

I am directed to refer to the correspondence ending with your telegram No. 3830, dated the 7th August 1900, regarding the financial position of the Municipality of the Civil and Military Station of Bangalore. You were informed* in 1897 that the Government of India would be "prepared to grant the Municipal Commission, concurrently with the abolition of the present tax (on liquor), such subvention from the revenues of the Assigned Tract as they may from time to time consider to be advisable on an examination of the Municipal finances." Relying on this undertaking you ask for an annual grant to the Municipality "till at least the year 1909" of Rs. 28,700 which represents the net annual loss to the Municipality through the transfer to Government of receipts from taxes on liquor and registration fees (Rs. 66,700) and of charges on account of the Bowring Hospital (Rs. 38,000).

* Letter from the Government of India in the Foreign Department, No. 2231-I. A., dated the 12th June 1897.

2. The revenue and expenditure of the Municipality in 1898-99 compare with the Budget Estimate for 1900-01 as follows:—

	1898-99.	1900-01.
	Rs.	Rs.
Revenue—	3,90,825	3,55,770
Deduct—		
1. Contribution on account of plague expenditure...	1,00,030	
2. Fixed registration fees	12,410	
3. Local cess on abkari	22,608	
4. License fees on ,, ...	27,863	
5. Contribution for Bowring Hospital ...	20,000	
6. Water-tax to meet cost of maintenance of water-works (a recent charge)	...	60,000
Balance (ordinary revenue)	2,07,944	2,95,770

	Rs.	Rs.
Expenditure—	4,81,537	3,62,748
Deduct—		
1. Special medical charges (cholera and plague)	1,82,704	27,000
2. Maintenance of Bowring Hospital ...	28,297	...
3. Maintenance of waterworks	4,511	52,200
4. Annual instalment in repayment of debt ...	...	12,23
Balance (ordinary expenditure) ...	2,66,025	2,71,318

3. In 1898-99, excluding extraordinary receipts and expenditure and items of revenue and expenditure which have since been withdrawn, there was an actual deficit of Rs. 58,081.* The Municipality were specially fortunate in having waterworks provided without any charge for capital cost; but, in accordance with the contract, they have to pay the maintenance charges and they have recently imposed taxation sufficient to meet it. Their ordinary revenue has increased, mainly by reason of new taxation, to the extent of Rs. 87,826, while the increase of ordinary expenditure has been only Rs. 5,293; there is thus a net improvement of Rs. 82,533.

* Rs. 2,66,025—2,07,944.

Against this amount must be set off—

	Rs.
(*a*) The deficit between ordinary revenue and ordinary expenditure in 1898-99	58,081
(*b*) Instalments in repayment of loan	12,230
TOTAL ...	70,311

Accordingly, the Municipality should for the future be about Rs. 12,000 a year to the good, if no special expenditure, such as that connected with plague, is incurred. Moreover the estimated cost of maintaining the waterworks is nearly Rs. 8,000† less than the estimated proceeds of the water-tax, and, taking this into account, the normal surplus becomes Rs. 20,000. The surplus will be absorbed in 1900-01, though not necessarily thereafter, by the Municipal share of special plague expenditure which it is estimated will amount to Rs. 27,000.

† Rs. 60,000—52,200=Rs. 7,800.

4. It remains to determine, in the light of the foregoing examination of the finances, the principles by which the Government of India will be guided in interpreting their undertaking to grant a subvention if required. These principles may be stated generally as follows:—

(1) The subvention, if any, will not be settled with any direct reference to the amount of the loss sustained by the Bangalore Municipal Commission owing to the withdrawal of the excise revenue without cent. per cent. compensation.

(2) Nor will it be settled with direct reference to the fact that the Municipal Commission are burdened by having to repay a loan to Government. For the Municipal Commission to claim a subvention on that ground would be tantamount to a repudiation of their liabilities.

(3) No *recurring* subvention can now be promised on the basis of accounts consisting for the most part of estimates, which are vitiated by the inclusion of expenditure of a special nature, such as that connected with plague, and are rendered specially uncertain by the fact that a great portion of the revenue is derivable from new taxes, the full effect of which cannot be accurately known for two or three years.

5. In all the circumstances of the case the Government of India sanction the grant to the Municipality from the general revenues of the Assigned Tract of an annual subvention of Rs. 25,000 for the three years 1900-01, 1901-02 and 1902-03. The necessity for continuing the subvention after that period and the amount of such subvention, if continued, will be considered in the light of the financial position of the Municipality at that time.

I have the honour to be,

SIR,

Your most obedient servant,

H. DALY,

Deputy Secretary to the Govt. of India.

No. 5071-I.A.

A copy of the foregoing letter, with copies of the communications to which it is a reply, is forwarded to the Finance and Commerce Department in continuation of the endorsement from the Foreign Department, No. 2404-I.A., dated the 2nd June 1900, for information, and for the issue of any further orders that may be necessary.

Letter from the Resident in Mysore, No. $\frac{3161}{60\text{-}900}$, dated the 4th July 1900, with enclosures.
Telegram from the Resident in Mysore, No. 3830, dated the 7th August 1900.

By order, etc.,

H. DALY,

Deputy Secretary to the Govt. of India.

FOREIGN DEPARTMENT;
SIMLA,
The 19th November 1900.

G. C. Press, Simla. No. 1006 F. D.—19-11-1900.—74.